

# First Ministerial Meeting of the Like-minded Group of Countries Supporters of Middle-Income Countries

## Concept note

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### **Background:**

The formal consideration of middle-income countries by the General Assembly started in 2008, with the intention of drawing attention to the development challenges of this group of countries whose development needs remained invisible. When referring to this group of countries, we relate to a heterogeneous and diverse group of countries in terms of size, population, income level, development potential, economic and social capabilities, among others.

Middle-income countries still face significant challenges to achieve sustainable development, in particular related to job creation, diversification and transformation of their economies, access to technologies, integration of small and medium enterprises into global value chains, as well as structural gaps in terms of inequality and poverty, investment and savings, productivity and innovation, infrastructure, education, health, fiscality, gender and the environment, among others, that constrain the development of these countries.

Overcoming these challenges is an urgent homework, particularly when we consider the need to advance in the implementation process of the 2030 Agenda for Sustainable Development and the achievement of sustainable development for all. The universal, integrative and transformational nature the 2030 Agenda create a new set of opportunities that need to be potentiated for the benefit of all countries, including middle-income countries. There are however ongoing challenges that limit the contribution that this important group of countries could grant to the achievement of the Sustainable Development Goals.

The middle-income countries classification was created by the World Bank as a lending category and based solely on per capita income criteria. It is used by the United Nations as a “de facto” category and it is considered controversial for some countries. It is also misunderstood due to its limitation to properly reflect the reality of the countries considered as middle-income. This reality caused several United Nations agencies and programs to adjust their criteria to implement a broader classification, as in the case of UNDP, UNFPA, among others. It has also created the wrong idea that middle-income countries compete for resources against other group of countries.

In this regard, the current classification lacks to effectively recognize the complexity and multidimensionality of development processes, preventing the creation of better responses to the current development challenges of those countries recognized as middle-income countries. At a policy level, it favors the vision that sustainable development challenges can be treated as related in a linear fashion. It also provides a very partial reflection of their development constraints, and in a sense, represents a reductionist approach.

This classification has had important implications for middle-income countries. As a country moves up in the income ladder and reaches certain income level, the practical effect is the reduction of international cooperation flows. It has also impacted the access of middle-income countries to concessional financing, as well as sufficient financing under preferential conditions.

The 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Paris Agreement, considered as core frameworks for sustainable development, encompasses a universal, integrated and transformative vision of the world, aiming at eradicating poverty, achieving sustainable development and transforming the global economy in order to better face the challenges produced by climate change.

In this regard, eradicating poverty in all its forms and dimensions remains the greatest global challenge and an indispensable requirement for sustainable development. The focus on eradicating poverty and not only extreme poverty, is a clear commitment to leave no one behind. Therefore, addressing the situation of middle-income countries, that concentrate more than 73% of the poor population worldwide, is crucial.

Greater participation by middle-income countries in the international cooperation system, whether as donors, recipients or both, will have a positive impact on global development, due to their economic and social weight in the world economy. And consequently, the enormous positive externalities for global growth and well-being that will flow from cooperation with these countries.

Addressing the needs and challenges of middle-income countries is closely linked to the need to develop more comprehensive measurements that reflect the multidimensional nature of poverty and development going beyond income thresholds.

Consequently, the traditional concept of development used to channel cooperation resources therefore needs to be reviewed, and the possibility to develop new and innovative cooperation frameworks should be considered. The challenge remains however on the issue of how the United Nations Development System (UNDS) will address and support the needs of this group of countries in order to achieve sustainable development and how this group of countries will contribute to the implementation of the 2030 Agenda and the Paris Agreement.

The 2030 Agenda (particularly in paragraphs 48 and 65), the Addis Ababa Action Agenda (particularly paragraphs 71, 72 and 129), resolution 70/215, as well as the discussions of the ECOSOC Dialogue on the longer-term positioning of the UNDS, recognize, under the principle of leaving no one behind, that the specific challenges and vulnerabilities of middle-income countries should be properly addressed and supported by the international community. This support should be ensured in various forms, taking into account the broad and complex diversity of these countries and their capacity to support the implementation process of the Agenda 2030.

In addition to UN efforts to enhance coordination particularly at the operational level, it is necessary to highlight the importance of working on a UN system-wide long term strategic planning towards middle-income countries and continuing improving said coordination.

It is commendable to recognize the important advancement of middle-income countries issues within the United Nations, besides the lack of understanding and need of a better support of the international community. And in this regard, the celebration of the First Ministerial Meeting could boost political coordination and guidance to improve advocacy towards middle-income countries.

### **Purpose and scope:**

The Ministerial Meeting could therefore:

- Promote greater political coordination among members of the like-minded group of countries supporters of middle-income countries.
- Establish common areas of interest and lines of action.
- Support and promote the creation of a UN system-wide and long-term strategy towards middle-income countries.
- Advocate for the creation of evidence-based data to be utilized by the System in support to efforts on cooperation and policy advice towards middle-income countries.
- Support and promote the establishment of multidimensional measures of progress that go beyond income criteria, working together with UNDESA, UN specialized agencies and Funds, among others.
- Encourage the UNDS to define clear approaches to the needs and challenges of middle-income countries, providing guidance and setting priorities to complement the existing development strategies of different groups of countries.
- Support and promote the proper inclusion of middle-income countries' interests in major UN processes, negotiations and documents, including in the forthcoming negotiation of the QCPR (Quadrennial comprehensive policy review of operational activities for development of the United Nations System).

### **Participants:**

Official invitations will be sent to the Ministers of Foreign Affairs of Member States of the Group. Few Ministers from several geographical regions, supporters of middle-income countries will be also invited. The invitation is open to sectorial Ministers also, if it is so decided by delegations. Invitations will be also sent to the Secretary-General and the Presidents of the General Assembly and ECOSOC to participate as special invitees.

**Format:**

The Ministerial Meeting will take place on Friday, September 23, from 10:00 am to 12:00 pm. Arrangements are being made to ensure participation of 1+3, after the confirmation of the room. The working language will be English and the activity is anticipated to be webcast. The meeting is intended to be an interactive dialogue aimed to exchange views and concrete proposals on relevant issues for middle-income countries. It will be structured around several thematic sections followed by an open debate and concluding remarks.

**Expected outcomes:**

A short ministerial statement/declaration is expected to be the outcome of the meeting. The coordinator of the Group, Costa Rica, will provide a summary of the discussion.

An updated programme will be distributed in due course.