

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

Forum on Financing for Development

UN Headquarters, Trusteeship Council April 23rd, 2018, 17:00 p.m.

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Madame President,

I have the honor to speak on behalf of the Like-Minded Countries Supporters of Middle Income Countries. At the outset, we would like to thank the presidency of ECOSOC for convening the 3rd 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.

Our group would also like to thank the Permanent Representatives of Jamaica and Portugal, for their incredible efforts to foster a constructive environment in the process of negotiation of the outcome document of the Forum.

Madame President,

At all levels of per capita income, middle-income countries continue to face serious challenges in all three dimensions of sustainable development, with specific obstacles in relation to poverty eradication, inequality and environmental vulnerabilities. Middle-income countries account for 70% of the world population, one third of the global GDP and it is home to 73% of the world's poor people. 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.

We emphasize that the allocation criteria of International Development Cooperation, in its different modalities, including Official Development Assistance (ODA), must be based on a multidimensional perspective that allows building a global architecture of cooperation, in which all developing countries receive support in accordance with their challenges, vulnerabilities, structural and particular gaps, including capacity building and technology transfer.

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. We also recognize concrete actions to tackle the reduction of inequalities, the empowerment of women, addressing 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.

Furthermore, 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 effect that such efforts can have in the achievement of the sustainable development goals. We look forward to the High-level United Nations Conference on South-South Cooperation which will be held in Buenos Aires in 2019.

Madame President,

We welcome the IATF Report and its conclusions, in particular stressing that “as many developing countries have recently graduated or will graduate from concessional financing windows thanks to strong per capita income growth, concerns have been raised over their access to sufficient and affordable long-term financing for SDG investments. As per capita income increases above low-income thresholds, access to external (concessional and non-concessional) public finance often decreases faster than can be compensated by increasing tax revenues in per capita terms”.

Accordingly, as access to concessional finance decreases, some countries may not be able to access sufficient affordable financing from other sources to meet their sustainable development needs, while emphasizing the need to develop a wider analysis of new measures, building on existing experiences with eligibility exceptions for concessional finance and multidimensional assessments to address limitations of an income-only assessment of development.

Our Group would also like to highlight the IATF report regarding the conclusion that countries vulnerable to weather events and external shocks often exceed per capita income thresholds but have limited capacity to mobilize public resources domestically due to their small size, remoteness, and/or vulnerability. In this sense, we welcome the outcome document request for the IATF to advance the analysis of state-contingent debt instruments, GDP-linked bonds, insurance coverage and other

innovative mechanisms for open economies more vulnerable to disasters, including middle-income countries.

We reiterate that it is urgent and critical to anticipate, plan for and reduce disaster risk in order to more effectively protect persons, communities and countries, their livelihoods, health, cultural heritage, socioeconomic assets and ecosystems, and thus strengthen their resilience.

Madame President,

To conclude, as we stressed during the informal consultations, the Addis Ababa Action Agenda called for the United Nations system, in consultation with International Financial Institutions, to take the lead in developing transparent criteria and indicators to measure the multidimensional nature of sustainable development.

In this gradual process of change, our Group believes that the needs and challenges of the Middle-Income Countries should be addressed. In this regard, as part of the new and innovative way to deal with the challenges of sustainable development, stronger evidence of the multidimensional nature of development needs to be reflected throughout the UN conferences, resolutions and outcomes. Thank you.