

**A Comprehensive Action Plan of Cooperation with MICs**  
**Mexico's proposal**  
**Financing for Development**

- Mexico supports CELAC's commitment to establish a Comprehensive Action Plan of Cooperation with Middle Income Countries within the United Nations System, making sure that proposed goals are clearly linked with the outcomes of the 2015 Addis Ababa Conference and the Post-2015 Development Agenda.
- **Middle Income Countries (MICs):** MICs are a heterogeneous and diverse group by size, population and income level, development potential, and economic and social achievements and performance. They are home to 5 of the world's 7 billion people and 73% of the world's poor, with poverty rates ranging from around 2 percent to more than 60 percent. MICs also represent about one-third of global GDP and are major engines of global growth.
- **Comprehensive Methodologies:** Support the use of comprehensive methodologies that measure development more accurately, such as the Multi-dimensional Poverty Measurement, the Structural Gaps approach, or the evaluation of the Human Development Index. These methodologies are complementary and go beyond simple income-based indicators that do not reflect the complexity of developing countries' individual realities, especially for MICs.
- **Tailored engagement strategies:** Support the use of flexible, targeted and differentiated engagement strategies for effective development cooperation with MICs, based on their specific country challenges and capacities. These tailored engagement strategies will determine the nature of the innovative financing mechanisms, concessional loans, technical cooperation, grants and bilateral ODA provided to MICs. South-South and Triangular Cooperation, and multi-stakeholder partnerships will be increasingly important in engaging with MICs.
- **Statistic Capacity Building:** Emphasize the importance of supporting domestic statistic capacity building for improved data collections, policy formulation and implementation. Data revolution.
- **Avoiding fiscal cliffs:** Graduation policies for bilateral and multilateral development assistance need to be phased, sequenced and coordinated, in order to avoid causing fiscal cliffs for middle income and graduating countries. Fiscal cliffs cause graduating countries to lose development assistance faster than they are able to mobilise domestic resources. In turn, this risks reversing sectorial development gains and damaging the sustainability of the overall development process.
- **Country Ownership:** Country ownership is an essential component of development cooperation as outlined by the Development Effectiveness Agenda, cooperation must reflect national challenges and priorities, and be led by national development strategies.
- **Using Country Systems:** Using country systems can help to strengthen institutional capability and deliver more sustainable development results, especially in MICs where the fiduciary risk associated to country institutions is lower and institutional effectiveness is higher.
- **MICs enrich the global dialogue on development cooperation:** MICs can share their experience of tackling challenges linked to their specific stage of development. There are many global development issues that have a particular impact on MICs, such as domestic inequality, lack of access to basic services, urbanization and the challenges associated with the structural nature of gender inequality and the effective implementation of human rights. The active engagement of MICs in the international development community can foster a better understanding of these development challenges.
- **Cooperation with MICs:** We stress that the support to MICs shall not be undertaken at the expense of the support provided to other categories of countries, such as Least Developed Countries, Small Island Developing States, and other low-income countries in Africa and other regions. These countries need continued support to overcome structural deficiencies in infrastructure, human capacity, vulnerability to economic downturns and institutional capacity constraints that impede their sustainable development.

- **Enabling environment for MICs development:** This support does not necessarily mean an increase in ODA, but also an array of mechanisms and incentives designed to promote an enabling environment for the development of MICs, such as better access to credit or preferential entry into specific markets.

## Mexico's position on South-South Cooperation Financing for Development (FfD)

- **South-South Cooperation (SSC)** is a partnership among equals based on solidarity and should be seen as complementary to ODA, and, in this regard, we acknowledge the need to enhance the development effectiveness of SSC by continuing to increase its mutual accountability and transparency, as well as coordinating its initiatives with other development projects and programs on the ground, in accordance with national development plans and priorities, and further recognizes that the impact of SSC should be assessed with a view to improving, its quality in a results-oriented manner.
- **South-South and Triangular Cooperation (TrC)** have important comparative advantages as tools to foster development. However, there are still some challenges ahead:
  - **i)** Increasing predictability and strategic engagement; **ii)** avoiding proliferation of short-term and isolated activities; **iii)** establishing specific procedures for evaluation, transparency and mutual accountability; **iv)** improving means of coordination and communication; and **v)** systematizing and publishing information collected at the national level.
- **SSC statistical information:** We welcome initiatives of SSC partners to continue to improve the availability of information on the scope, results and impacts of their cooperation actions, developed in all modalities, according to methodologies conceived by developing countries that better fit their specificities.
- **The Development Effectiveness Agenda's contribution:** The GPEDC represents an opportunity for Southern Providers, both to receive support in their efforts to maximize the impact of the cooperation they give and receive, and to advance the case for a more comprehensive methodology to define their eligibility to receive development cooperation.
- **Mexico encourages** the initiatives, mechanisms, and arrangements undertaken to enhance SSC among developing countries, including in the areas of eradication of poverty and hunger, gender equality, the empowerment of women, access to information and communications technologies, science and technology, environment, culture, health, education and human development.
- **Multi-stakeholder Partnerships** are needed to scale up South-South. Including other development stakeholders, such as CSO's, Foundations, Local Governments, and Parliamentarians has proven useful.
- **TrC:** We encourage the deployment and scaling up of triangular cooperation initiatives, both at strategic and project level, which optimally draw on the respective advantages and complementary strengths of all development partners involved in accordance to the priorities and policies set out by recipient countries.
- **Knowledge Sharing:** We encourage to recognize the importance of country-led knowledge sharing, especially considering its valuable contribution to the enhancement of national and local capacities. Knowledge sharing can involve North-South, South-North, South-South and triangular and regional approaches including the engagement of public and private stakeholders and the valuable support of multilateral organizations.
- **Southern Partners** are increasingly active in exchanging developmental experiences and in cooperating with other developing countries, especially through infrastructure and economic development, public services and social protection, resilience building, knowledge sharing, and regional cooperation and integration initiatives.
- **Post-2015 Agenda:** It is crucial to reaffirm the view that considers SSC 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 the Sustainable Development Goals that will be agreed within the Post-2015 Agenda.
- **SSC has unique contributions to make in the context of the Global Development Architecture, and is more than a complement to traditional cooperation.** Traditional cooperation benefits from SSC's experiences, diversity, growing importance and unique trajectory. It is crucial to move forward the discussion about SSC's contribution to global development issues.

- **CBDR:** Acknowledge the specificities of SSC and recognize that Southern Providers participate in the international development architecture under the principle of shared but differentiated responsibilities, in accordance with each actor's respective capabilities, comparative advantages and available resources.
- **Enhanced UN support structures:**
- We support the need for the UN normative and operational structures to continue enhancing its support for SSC, and in this regard:
  - We recognize that **South-South cooperation is an integral part of the means of implementation for the post-2015 development agenda**. While recognizing its complementary with other modalities of development cooperation, including North-South cooperation, we assert that SSC has a differentiated and specific role to play, according with its particularities and strategic advantages. The enhanced role of SSC in Development Cooperation architecture does not imply that other development actors, in particular traditional donors, should diminish their commitments nor review their ODA goals and targets.
  - The UN support to South-South cooperation (SSC) and triangular cooperation (TrC) should continue to facilitate the exchanges of views or knowledge on successful strategies, practices and experience and proven projects or programmes, utilizing the appropriate existing *Fora*, such as the High level Committee on SSC and the Development Cooperation Forum of ECOSOC, as appropriate in accordance with their respective mandates. We make a call to ensure that Southern partners are fully and effectively involved in the preparation of these dialogues.
  - On the operational side, we make a call to continue considering the support for SSC Cooperation as an institutional priority, including from the budgetary perspective.
  - We further support the existing interagency coordination mechanism, and consolidate measures established by the UNSG in order to ensure an effective coordination of the UN system support to SSC. In this regard, UNDP's global and regional programs have to continue prioritizing support to SSC and TrC. As the UN system scales-up its support to SSC and TrC, we advance in the development of a comprehensive, corporate strategy on SSC which aims to take these efforts even further.
  - We welcome the establishment of the UNDG South-South Task Force as a mechanism for coherent and coordinated UN support to South-South cooperation. This new mechanism should invigorate UN support to SSC as called by Member States in the Nairobi outcome document of the 2009 High-level United Nation Conference on South-South Cooperation.

## **Specific drafting proposals for the negotiations of the FFD process**

### **I. Sustainable development goals and targets**

*Under goal 17 to strengthen the means of implementation and revitalize the global partnership for sustainable development:*

- Related to targets on increasing ODA and other sources of finance for developing countries, recognize the importance of
  - the principles of effective development co-operation as critical in achieving sustainable development for all
  - effective multi-stakeholder partnerships to support development.
- For discussions related to operationalizing Goal 17, reiterate the GPEDC's relevance for realising effective use of development finance, inclusive multi-stakeholder partnerships, and developing country led monitoring and accountability.

### **II. Financing for Development / Means of implementation**

*Domestic public finance*

- Welcome efforts to use development cooperation to strengthen domestic resource mobilization, including through strengthening tax systems and reducing illicit financial flows and to use such efforts to support country ownership of development priorities.

*Domestic and international private finance*

- Encourage development partnerships with the private sector based on country ownership, sustainable development results, transparency, and mutual accountability.
- Invite representatives of the public and private sectors to play an active role in exploring how to advance both development and business outcomes so that they are mutually reinforcing. Encourage the participation of the private sector in the design and implementation of country-led national development policies and strategies to foster sustainable growth and poverty reduction, as well as in national accountability mechanisms.

*International public finance*

- Recognizes the need to ensure transparency and accountability of financing at national, regional and international levels. Transparency and accountability must underpin all financing to enhance legitimacy and effectiveness. Government providers of assistance and partner countries should strive for a more harmonized and coherent mutual accountability, with improved data collection and strengthened monitoring, while ensuring country ownership. Private financial flows should be monitored more effectively and made more transparent. (Source ICESDF, Strategic Approach 9th, page 19).

- In this regard, welcomes the efforts to improve the quality of development cooperation, including through the Global Partnership for Effective Development Cooperation. Recognizes the importance of such efforts to strengthen the standards, quality and inclusiveness of development partnerships, enhance country ownership, focus on results, and improve transparency and mutual accountability among development partners, at the request of developing countries and on a voluntary basis.
- Emphasize the need to accelerate aid effectiveness commitments made by donors in Paris, Accra, and Busan.
- Encourage development cooperation providers to improve the effectiveness of development cooperation, including, *inter alia*, through the use of developing countries' results frameworks; enhance transparency and predictability of cooperation; participate in country-level mutual accountability mechanisms; and use and strengthen developing country systems.

### **III. Monitoring and accountability**

- Underscores the need to engage with the relevant development stakeholders, including *inter alia*, civil society business sector, parliaments, local governments, as appropriate, in order to produce qualitative and quantitative data and analysis on the effectiveness of development cooperation.
- Monitoring the quality of development cooperation provides valuable evidence on how it responds to developing country priorities and leadership, as well as how it impacts the wellbeing of targeted populations on the ground.
- Assessing the quality of development cooperation should be part of the monitoring and follow-up of the FFD and Post 2015 frameworks, particularly through the UN Development Cooperation Forum of ECOSOC, and the High-Level Political Forum. In this regard, the Monitoring Framework of the GPEDC can provide useful input, complementing and enriching work that will be done through UN system.
- The purpose of the GPEDC monitoring framework is to encourage all stakeholders to improve the effectiveness of their development co-operation in order to maximise its impact. It provides an evidence-based approach to accountability, geared towards multi-stakeholder learning and sharing of lessons. Its country-led approach grounds the monitoring efforts in developing countries' own accountability mechanisms and information systems. The framework aims to stimulate actions on the ground by supporting developing countries' own monitoring and accountability processes.
- The monitoring framework places particular emphasis on the quality of development co-operation partnerships, which is in turn expected to contribute to the achievement of results as defined in the developing countries' development strategies.