

Intervention of the Like-Minded Countries Supporters of Middle Income Countries.

Finance for Development Forum follow-up 2017

71st Session General Assembly, New York, May 22-25, 2017

Mr. President,

I have the honor to speak on behalf of the Like-Minded Countries Supporters of Middle Income Countries. We commend the Presidency of the Economic and Social Council for convening the Forum on Financing for Development and we welcome the first substantive report of the Inter-Agency Task Force (IATF) on Financing for Development.

We recognize that this Forum presents the opportunity to assess the progress of the financing for development policies, identifying obstacles and challenges to their implementation, promoting the sharing of lessons learned, and providing policy recommendations for action by the international community.

Mr. President,

Our group considers fundamental to emphasize that middle-income countries still face significant challenges to achieve sustainable development. This is particularly crucial for the international community, given the large share of middle-income countries in terms of the world population and the global economy.

Furthermore, we believe that the concerns of the Middle Income Countries should bring together all groups of developing countries, especially considering that, as countries move from a low-income to a middle-income level, the assistance provided to them through the official development assistance framework is significantly reduced, limiting their ability to address their specific challenges.

In order to ensure that achievements made to date by Middle Income Countries are sustained, efforts to address ongoing challenges should be strengthened through the exchange of experiences, improved coordination, and better and focused support of the United Nations development system, the international financial institutions, regional organizations and other stakeholders.

We acknowledge that ODA and other concessional finance is still important for a number of these countries and has a role to play for targeted results, taking into account the specific needs of these countries. We note with concern that access to concessional finance is reduced as countries' incomes grow, and that countries may not be able to access sufficient affordable financing from other sources to meet their needs.

We also recognize that innovation and technologies are powerful drivers of economic growth and sustainable development for middle income countries. In that regard, we could like to recall the importance of technology transfer and diffusion in the spirit of closing the economic and social gaps between countries to achieve sustainable development.

In order to tackle these challenges, we encourage share-holders in multilateral development banks to develop graduation policies that are sequenced, phased and gradual to ensure that their assistance best addresses the opportunities and challenges presented by the diverse circumstances of Middle-Income Countries. There is an urgent need for a more nuanced and transparent country classification, going beyond the per capita income criteria in order to recognize poverty in all of its forms and dimensions, and incorporating a range of indicators, such as a human development index, the progress made in meeting the Millennium Development Goals or the successor targets, levels of inequality in terms of both income and non-monetary benefits (including access to social services) and the degree of diversification and skill intensity of the economy. All of these elements would provide additional guidance for elaborating and implementing country assistance programmes in a manner that is more consistent with each country's specific needs.

We want to highlight the need for the continuing engagement of the international community in Middle-Income Countries, which should be tailored to specific country needs, and the further development cooperation of the United Nations system. We also recognize the need to devise methodologies to better account for the complex and diverse realities of these countries.

Mr. President,

We welcome the statement of the President of the General Assembly, H.E. Mr Peter Thomson, on the Ministerial Meeting of the Like-Minded Countries Supporters of Middle Income Countries of 23 September 2016, in which he recognized the limitations of the current approach, and the need to better understand these challenges, so that the UN system can provide more efficient, effective, better-focused and better-coordinated support to strengthen the efforts of Middle Income Countries.

The Group urges the UN to work on a comprehensive UN system-wide and long-term strategy aimed at facilitating sustainable development cooperation and coordinated support towards MICs.

We conclude by stressing that achieving the sustainable development goals in their three dimensions will be impossible unless the economic and social problems of the Middle Income Countries are addressed, and their active engagement is enlisted at both the national and the international level. Through its universal mandate, the United Nations system is uniquely placed to provide direct assistance and to act as a mediator in the intercountry cooperation process.

Thank you.