



Statement by H.E. Bob Rae (Canada)

President of the Economic and Social Council

Middle Income Countries Annual Ministerial Meeting

26 September 2024

Minister,

Excellencies,

Dear colleagues,

Middle-income countries are in a precarious position. At present, 105 countries are classified as MICs, based on World Bank income thresholds. These countries are home to over 70% of the world's poor—approximately 800 million people.

Recent crises have worsened the economic vulnerabilities of many middle-income countries. Many of them struggle with increasingly unsustainable sovereign debt burdens and high debt service payments that are progressively crowding out investments in sustainable development.

At the same time, MICs often lack the necessary support and access to finance to address current challenges and achieve sustainable and inclusive growth. Eligibility for concessional finance is largely determined by per-capita income measures that ignore multidimensional needs and vulnerabilities.

This past February, Ministers and High-level representatives of MICs gathered in Rabat, Kingdom of Morocco, to discuss solutions to development challenges of MICs in a changing world. The outcome document stresses that the classification as MICs should not remain an obstacle or a punishment for benefiting from an inclusive international development cooperation and from access to financing for development and technical cooperation.

MICs need improved access to international finance to navigate new and emerging risks. Access to concessional finance will be important to ensure that recovery from shocks and implementation of the SDGs does not impose additional debt burdens. We can also learn lessons from MICs on leveraging South-South



Cooperation to build on local and regional knowledge to arrive at innovative solutions.

GDP indicators need to be rethought to better reflect multidimensional needs. Given the diverse development needs of MICs, we need to ensure that indicators of access to concessional finance are reflective of different types of vulnerabilities that are impeding progress.

As climate change continues to wreak havoc on our countries and communities, we must support MICs to find climate adaptation solutions. While this includes improving access and eligibility for climate adaptation finance, it also means scaling up technical cooperation and leveraging data and technology to support MICs to manage climate risks rather than only react to climate emergencies.

And as we address the economic and environmental pillars in MICs, we must not forget the important social pillar that requires particular care. MICs are facing significant levels of poverty and food insecurity, all while also needing support to strengthen social protection, health and education systems.

One of my key priorities as President of ECOSOC is to deepen the engagement between the Council and the international financial institutions. This is precisely to address gaps in financing for development and to find ways forward, including on issues of sovereign debt and high interest burdens. I welcome you to engage in the work of the FfD Forum as a platform for inclusion and consensus toward FfD4 Conference in 2025.

Another cross-cutting area of priority will be addressing inequalities. Inequalities are rampant within and between countries. In the case of MICs, we know that the gender gap persists and the widening digital divide is providing some with access to the digital economy and education, and leaving others behind. Throughout the work of the Council, I will keep a spotlight on the real issues of inequality that are undermining our progress toward the SDGs. The MIC perspective will be integral to our success.

ECOSOC remains a partner of the MICs to underscore the diversity and contribution of these countries to achieving sustainable development. Through its various forums, meetings and segments, ECOSOC is an important platform for MICs to advance tailored policy guidance and find areas of consensus for action.



ECOSOC subsidiary bodies, including regional commissions, functional commissions and expert bodies are also producing research, advancing thinking and promoting dialogue to find innovative and timely solutions for MICs.

In today's interdependent world, it is more vital than ever that we move forward together in a spirit of solidarity, sharing opportunities and working together to mitigate challenges. The Pact for the Future and its Global Digital Compact and Declaration for Future Generations are a clarion call for all of us to reassess the current state of sustainable development and endeavour for more. As we look to the FfD4 Conference, and World Social Summit in 2025, let us be bold, ambitious and fearless in our efforts to facilitate the change we want to see.