



**ECOSOC President's keynote speech at the
Handover ceremony of the Presidency of
the Like-minded Group of Countries in support of
Middle-Income Countries**

25 January 2023

Excellencies,
Ladies and gentlemen,

I am honoured to join you today for the handover ceremony of the Presidency of the Like-minded Group of Countries in support of Middle-Income Countries.

I would like to express my deep appreciation to Colombia for their leadership and I welcome Ambassador Hilale for taking over this important role.

The middle-income countries are a large and heterogenous group that exhibits a broad range of development achievements and challenges.

The World Bank income classification ranges from per capita income of about \$1,000 to more than \$12,000 per year, with 107 countries currently ranked as middle-income.

As a group, middle-income countries account for approximately 75 per cent of the world population and over 60 per cent of the world's poor.

At the same time, middle-income countries represent about one third of world GDP. With the shift of more energy-intensive economic activities from developed countries to middle-income countries, they are currently responsible for around 60 per cent of CO₂ emissions. Though the energy matrix of different middle-income countries varies widely.



Developments in middle-income countries will be key for reinvigorating global economic growth, engineering just energy transitions to mitigate climate change, and accelerating progress towards the SDGs.

Yet, recent external shocks have exacerbated the economic vulnerabilities of many middle-income countries. The multiple and overlapping current crises – including the global cost-of-living crisis, food insecurity, growing sovereign debt burdens, high geopolitical and geoeconomic tensions, and the worsening climate crisis – have amplified challenges and constrained countries' resources to address them.

Many middle-income countries are also particularly vulnerable to natural hazards that are increasing in intensity and frequency due to the impacts of climate change.

Middle-income countries face the challenge of designing and implementing coherent and consistent policy measures to address vulnerabilities in the short-term and strengthen sustainable development trajectories in the long term. This needs to take into account their unique circumstances and development aspirations.

Many middle-income countries also need support from the international community to overcome their constraints and address vulnerabilities.

Greater global cooperation in three areas can help middle-income countries overcome some of the most pressing challenges.

Ladies and gentlemen,

First, we need to strengthen the universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system, to support stronger economic growth, reduce inequalities, and increase resilience to economic shocks in the future.



Second, we need to help vulnerable countries, including middle-income countries, deal with rising and increasingly unsustainable levels of debt. An immediate multilateral debt relief initiative, as called for by the Secretary-General's SDG Stimulus Plan, should include debt payment suspensions, debt exchanges and/or haircuts, debt for SDG or climate swaps, and greater use of risk-sharing debt instruments. There also needs to be a clear mechanism to include private creditors in official debt relief efforts. At the same time, since the problem facing many MICs is more one of access to finance rather than insolvency, debt relief should be complemented with low-interest, long-term financing from multilateral lenders. The international community must continue to work towards developing long-term comprehensive and structural solutions to sovereign debt challenges.

Third, we need to step up support for countries that are already bearing steep economic and social costs of the worsening climate crisis. The agreement at COP27 on setting up a loss and damage fund for the most vulnerable countries – including middle-income countries – is a step in the right direction. “Just energy transition partnerships” between groups of donors and middle-income countries can strengthen resilient and sustainable growth and help achieve global climate goals.

While policies, tools and strategies can play a critical role to accelerate recovery and sustainable development, they need to be accompanied by adequate and predictable financing. Better access to external financing flows – both private and public – can play a key role in alleviating the financing constraints in many middle-income countries.

In the outcome of the 2022 ECOSOC Financing for Development (FfD) Forum, Member States acknowledged that official development assistance (ODA) and other concessional finance are still important for a number of MICs and encouraged the international community to consider multidimensional vulnerability as criteria to access concessional finance. It is my hope that this encompassing work can contribute to better tailored international support and policy coordination.



The 2023 ECOSOC FFD Forum and the 2023 HLPF under the auspices of ECOSOC will further these goals and inform financing discussions in the lead up to the SDG Summit and General Assembly High-level Dialogue on Financing for Development to be held during the 78th UN General Assembly in September.

As we finalize the schedules of meetings for the HLPF this July, I will make sure to give space for the needs and priorities of middle-income countries in the programme and that their voices will be heard.

I wish you every success as we navigate the intense calendar of important events in the coming year.

Thank you.