

**Statements of the Like-Minded Group of Countries Supporters of Middle-Income Countries at the 2021 ECOSOC Operational Activities for Development Segment (OAS)**

**18-20 May, 2021**

Distinguished Chairperson,

1. I have the honor of delivering this statement on behalf of the Like-Minded Group of Countries Supporters of Middle-Income Countries, composed of Armenia, Belarus, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Lebanon, Mexico, Morocco, Panama, Peru, the Philippines, and my own country, Guatemala.
2. We commend the Presidency and Bureau of the Economic and Social Council for convening this year's Operational Activities for Development Segment as we follow-up on the mandates of the 2020 Resolution on the Quadrennial Comprehensive Policy Review and of the repositioning of the UN development system (UNDS), in the context of the recovery from the Covid-19 Pandemic, without losing sight of the Decade of Action to achieve the Sustainable Development Goals by 2030
3. We likewise commend the Secretary-General, the Deputy Secretary-General and their teams, for the efforts and concrete gains achieved in improving and strengthening the UNDS to ensure that it delivers efficiently and effectively on the ground, notably with regards to the response and recovery of the Covid-19 pandemic, including an increased provision of life-saving humanitarian assistance. We further welcome the progress made to the reinvigorated Resident Coordinator System, the strengthening of the regional dimension and multi-country offices, and the developments in the funding commitments.
4. We further commend UN global response to the COVID-19 that was able to quickly pivot their activities and reprogramme resources, including launching the COVID-19 Response and Recovery Fund to support low- and middle- income programme countries in overcoming the health and development crisis caused by the pandemic.

Distinguished Chairperson,

5. For middle-income countries, the UNDS operational activities play a fundamental role in promoting cooperation, innovation, capacity-building, support in designing public policies based on experiences and the transfer of technologies as powerful drivers of economic growth and sustainable development. A more coordinated assistance of the system is needed in this regard.
6. We have consistently advocated that the UNDS should move away from traditional schemes to evaluate development based on macroeconomic indicators because we believe that national averages (based on criteria such as per capita income) do not reflect the actual particularities and challenges of developing countries nor the multidimensional nature of the 2030 Agenda on sustainable development.
7. At the same time, we are cognizant of the complexity of the current categorization of countries and the difficulty of conveying the special needs of such a wide and diverse group that represents nearly two-thirds of all programme countries and three-quarters of the world's population, as the SG Reports rightly points out, with 19 LDCs, 18 LLDCs and 28 SIDS being

middle-income countries at the same time. There are also 46 middle-income countries with a “very high” or “high” Human Development Index.

8. The report also recognizes that the need for a metric to measure country vulnerability has only increased post-COVID, and explains that one reason for using current categorizations is that data on GDP per capita is readily available for almost every country in the world, whereas other measures that would be considered useful indicators for poverty, such as income inequality, tend not to be widely available for all countries. We therefore understand that a great part of the challenge is the availability of data and agreeing on standard methodology to measure a country’s susceptibility to shocks.
9. Our Group greatly appreciates the efforts of the UNDS to improve its approaches to support developing countries based on multidimensional criteria, including with tools such as the Human Development Index developed by the UN Development Programme, or the Multidimensional Vulnerability Index (MVI), that contribute to making more precise assessments of development to inform national and global policy-making.
10. We believe that the UNDS should take the lead in defining the trend of international support to middle-income countries, influencing and fostering new partnerships with the international financial institutions, regional organizations, regional development banks and other stakeholders.
11. In our view, the operational activities of the UNDS also have an important role to play in supporting graduation processes and smooth transitions to ensure that graduating and recently graduated countries do not face disruptions in their development plans and programs. Most graduated and graduating countries, despite an improved per capita income, face persistent challenges and vulnerabilities such as debt stress, inequalities, the impact of climate change and biodiversity loss, as well as other structural and institutional barriers.
12. We recall the GA resolution on Development Cooperation with Middle-Income Countries adopted on 19 December 2019 (A/RES/74/231),<sup>1</sup> and look forward to the convening by the President of the General Assembly of the high-level meeting to discuss the gaps and challenges of middle-income countries in the implementation of the 2030 Agenda for Sustainable Development, and we encourage all to participate in the meeting.

Distinguished Chairperson,

13. Regarding the means of implementation, we welcome the report’s findings of a continued upward trend in the funding for operational activities for development and that new, innovative funding modalities have helped lead to more flexible funding being provided to the system. However, we note with concern the continuing imbalance between core and non-core resources and agree with a broadening of the funding base.
14. We are also pleased to hear the progress made in ensuring that all developing countries have the fiscal space and financial support needed to protect development gains and enable a strong recovery and foundation for accelerated SDG implementation over the remainder of the Decade of Action, including on the extension of the Debt Service Suspension Initiative (DSSI), the creation of the Common Framework (CF) for Debt Treatments, and the potential issuance of a new round of Special Drawing Rights of \$650 billion by the IMF. We further appreciate the work of the Deputy Secretary-General in using her good offices to urge

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<sup>1</sup> <https://undocs.org/en/A/RES/74/231>

decision-makers to take more ambitious action on debt relief and liquidity, including by expanding the DSSI and Common Framework to include vulnerable middle-income countries, reallocating unused SDRs to ensure liquidity reaches those who need it most, bringing private creditors to the table, and undertaking a reform of the international debt architecture.

Distinguished Chairperson,

In view of the above,

- a. We appreciate the steps taken by the UNDS, writ large, to evolve its support to middle-income countries in all their diversity, including its efforts to advance the multidimensional measurements of sustainable development;
- b. We take note of the recommendations contained in the report, notably with the need to strengthen the availability of reliable data, agreeing on standard methodology for a new metric, and the need for a gradual shift from a traditional model of direct support and service provision to middle-income countries towards a greater emphasis on integrated high-quality policy advice, capacity development and support for the leveraging of partnerships and financing.
- c. We reiterate our call for the United Nations Sustainable Development Group to develop a joint framework of collaboration with multilateral development banks to improve regional and country-level synergies, with specific attention paid to middle-income countries, as set out in the Secretary General's Road Map for Financing the 2030 Agenda for Sustainable Development 2019–2021<sup>2</sup>.
- d. We also welcome efforts taken to strengthen South-South cooperation, including in the development of the system-wide strategy on South-South and Triangular Cooperation, which is expected to put into action a coordinated, coherent approach for a system wide South-South cooperation policy and program, following the priorities and requests defined by the countries. We recall the historic BAPA+40 Conference held in Buenos Aires in 2019 and its contribution in this regard, and reemphasize that South-South cooperation is a complement to, and not a substitute for, North-South cooperation.

Distinguished Chairperson,

15. Our Group stands ready to actively work with the UN system, including with the UN Chief Economist and MICs focal person as well as with the UN Sustainable Development Group, on the above initiatives and future steps to advance the interests of middle-income countries which are major engines of global growth and development, contributing to 1/3rd of global GDP and representing 75% of the world's population and 62% of the world's poor.<sup>3</sup>
16. Please be assured of our Group's full support and cooperation in ensuring the success of OAS 2021.

I thank you, Chair.

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<sup>2</sup> From para 88 of the 2020 SG Report on the QCPR.

<sup>3</sup> [https://www.un.org/sites/un2.un.org/files/un\\_policy\\_brief\\_on\\_debt\\_relief\\_and\\_covid\\_april\\_2020.pdf](https://www.un.org/sites/un2.un.org/files/un_policy_brief_on_debt_relief_and_covid_april_2020.pdf) (page 4)