

**GENERAL DEBATE OF THE PREPARATORY COMMITTEE FOR THE FOURTH
INTERNATIONAL CONFERENCE ON FINANCING
FOR DEVELOPMENT
22 July 2024.**

STATEMENT TO BE DELIVERED BY MOROCCO ON BEHALF OF THE LIKE-MINDED
GROUP FOR MIDDLE-INCOME COUNTRIES

5min

*Distinguished Co-chairs of the Preparatory Committee,
Distinguished Ministers,
Mr. Under-Secretary-General for Economic and Social Affairs,
Excellences,
Ladies and Gentlemen,*

I have the honor to deliver this statement on behalf of the Like-Minded Group for Middle-Income Countries composed of Armenia, Belarus, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Lebanon, Mexico, Namibia, Panama, Peru, the Philippines, Uruguay, and my own country Morocco.

At the outset, I would like to express our deep appreciation to the Government of Federal Republic of Ethiopia for hosting the first preparatory committee for the Fourth International Conference on Financing for Development. We also commend the Conference Preparatory Committee Bureau members led by Co-Chairs, the Permanent Representatives of Burundi and Portugal for their valued work in leading up the preparations of the conference.

As we are paving the Road to Spain, this preparatory committee is a critical momentum **to assess** how far we have come in the implementation of the Addis Ababa Action Agenda and **to identify** concrete solutions for correcting the course towards the implementation of the SDGs.

The key findings of the 2024 Sustainable Development Goals Report **highlights a very concerning and alarming reality marked by increasing global inequalities, with an additional 23 million people pushed into extreme poverty.**

The financing gap still the main obstacle for achieving sustainable development in its economic, social and environmental dimensions and Developing countries face today a \$4 trillion annual investment gap to achieve the SDGs.

Middle-Income Countries continue to play a pivotal role in the world economy, and they are home to 75% of the world's population. **Yet, they continue to face significant unique challenges as they strive to implement the SDGs. Despite being home to 62% of the world's poor, MICs often lack the necessary support and access to finance, especially, concessional, and non-concessional finance, to address their mounting debt burdens as well as several climate vulnerabilities and social inequalities.**

Furthermore, **the middle-income trap faced by MICs requires a much-awaited action and necessary shift in international development cooperation for MICs.** This appeal was advocated by our Group as several occasions and **was agreed in the Rabat Declaration adopted during the fifth Ministerial conference on Middle Income Countries held in Morocco last February.**

One of the main conclusions of Rabat Declaration was also the fact that the current status quo of how development finance is channeled to MICs, due to their categorization, did not work during shocks, including the pandemic, the cost-of-living crisis, and geopolitical tensions. This is why, the LMG-MICs continues to support the Secretary General SDGs Stimulus and has been consistent in calling for this paradigm shift, urgently needed to create a development and climate financing architecture that's inclusive and fair while also targeting resources for specific vulnerabilities, shocks and risks.

In this regard, our **group looks forward, to the outcome of the Summit of the Future on establishing a High-level Group of Experts to advance the selection of multidimensional indicators that complement or go beyond GDP which shall inform the deliberations of the UN intergovernmental process on beyond GDP.**

This long-awaited process will be also critical for the deliberations and for the outcome of **the FFD4 which should deliver on how Beyond GDP measures tools shall inform access to development financing, technical assistance, and international development cooperation at large and ensure the inclusivity and**

Excellencies, Ladies and Gentlemen,

Financing for development in middle-income countries demands a multifaceted approach that blends concessional and non-concessional finance with innovative financial solutions. **Developing meaningful commitments regarding public and private partnership, fostering South-South and triangular cooperation as well as scaling private investment in the SDGs continue to be a pivotal component of resource mobilization for development of utmost priority of the Group.**

Regarding the issue of Debt relief: **Business as usual in addressing debt distress and high risks of debt distress is no longer an option.** We reaffirm our deep concern that the global initiatives on debt sustainability did not address fairly the needs of highly indebted developing countries, including the Middle-Income Countries. **60% of the countries downgraded by Credit- Rating Agencies are middle-income countries**, in a context where the criteria to define minimum fiscal risks **should be adapted to the multidimensional nature of the MICs vulnerabilities.**

FFD4 is also a crucial moment for reaching a consensus on scaling-up means to boost the lending capacity of the multilateral development banks (MDB) and to align their work with the SDGs, which will be critical to advance their reform and expand their support in terms of access to finance and technical support for developing countries, particularly middle-income countries. Addressing liquidity needs and providing more fiscal space, including through innovative financing mechanisms such as Green Bonds and debt swaps for climate and nature, whose design remain extremely complex and should be simplified, is also needed.

Furthermore, **the Group expect that FFD4 will trigger a much-needed financial breakthrough including Strengthen the commitment to Integrated National Financing Frameworks** as the primary sovereign financial planning tool at the country level, nationally and locally.

To conclude, **we reiterate the call on UNDS to scale up a tailored support to MICs and advance the elaboration of a specific inter-agency, comprehensive, system-wide response plan for Middle-Income Countries based on the mapping exercise advocated by the Group.** We also reiterate the necessity to include MICs in all forms of support, **namely in terms of developing bankable projects pipelines** and de-risking tools, to

reduce investment costs and manage economic risks related to vital sectors such as energy and also enhance capacity building for embracing digital transformation which has a tremendous potential to advance the SDGs.

Finally, The LMG-MICs looks forward to a successful FFD4 in Spain and remain committed to engage constructively in its preparatory process.

I thank you for your attention.