

Preparatory Committee for the fourth  
International Conference on Financing  
for Development  
Second session  
New York, 03-06 December 2024.

## **GENERAL DEBATE**

### DRAFT STATEMENT TO BE DELIVERED ON BEHALF OF THE LIKE-MINDED GROUP FOR MIDDLE-INCOME COUNTRIES Tuesday 3 December 2024

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*Distinguished Co-chairs,  
Excellencies,*

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

At the outset, we commend the Co-Chairs, the Permanent Representatives of Burundi and Portugal for their valuable work. We also thank the co-facilitators, the Permanent Representatives of Nepal, Norway, Mexico and Zambia, for the Elements Paper.

We appreciate the efforts done in capturing in a substantive and holistic manner the 300 contributions and inputs received from Member States and other stakeholders.

As we are paving the Road to Spain, this Second preparatory committee is a critical moment to build on the discussions in Addis Ababa last July, and to have a concrete discussion with the aim to prepare common ground for negotiations of the zero draft of the outcome document of FFD4.

*Excellencies,*

While we appreciate the substantive nature of the elements paper, as well as the structure of the action areas, which forms a good basis for discussion and preparation for the zero draft, we regret the lack of emphasis on the specific challenges facing middle-income countries,

including the middle-income trap which requires a shift in international development cooperation for MICs.

Despite being home to 62% of the world's poor, MICs often lack the necessary support and access to finance, especially concessional, and also non-concessional finance, to address their mounting debt burdens as well as climate vulnerabilities and social inequalities.

In this regard, the LMG-MICs calls for giving the necessary space and attention to the specific situation of middle-income countries and financing solutions to overcome the current status quo of how development finance is channeled to MICs, due to their categorization which clearly does not provide ample support during shocks, including the pandemic, the cost-of-living crisis, and geopolitical tensions.

The Group welcomes the subsection dedicated to expanding access to concessional financing, including for smooth transitions for graduating countries. However, we believe it can benefit from a clearer call for action, as well as a higher level of ambition, which goes beyond stating what was already agreed in previous documents and builds on the Pact for the Future regarding the Beyond GDP process. Going beyond GDP will address the systemic barriers to financing for development.

#### *Excellencies,*

We reaffirm our deep concern that global initiatives on debt sustainability do 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 vulnerabilities of MICs.

The Group emphasizes the need to further strengthen the Common Framework and calls to implement it fully in a transparent, predictable, timely, orderly, and coordinated manner; encourages greater private sector participation through more clarity in assessing comparability of treatment; and calls for extending eligibility to all middle-income countries

The LMG-MICs supports actions boosting the lending capacity of multilateral development banks (MDB) which will be critical to advance their reform and expand access to finance and technical support for developing countries, particularly middle-income countries.

Furthermore, the Group emphasizes the importance of the call upon the UNDS, which was reiterated in the 2024 QCPR, to advance the elaboration of a specific inter-agency, comprehensive, system-wide response plan for middle-income countries, taking note of the

mapping exercise conducted by the Secretary-General and his recommendations, aimed at better addressing the multidimensional nature of sustainable development and facilitating sustainable development cooperation and coordinated and inclusive support to middle-income countries.

The LMG-MICs welcomes the mandate approved by the QCPR to invite the Chair of the United Nations Sustainable Development Group to consider filling leadership gaps on middle-income countries' issues, such as through the appointment of a focal point on middle-income countries. The UN system should recognize middle-income countries as a group of countries trapped in between being poor and being rich, hence experiencing special challenges that need to be addressed. This recognition matters in development cooperation and mobilization of resources, such as through south-south and triangular cooperation.

Finally, the LMG-MICs looks forward to substantive and rich discussions during this week. Our Group remains committed to contribute and engage constructively in the preparatory process for a successful FFD4 in Spain.

I thank you for your attention.