

## PLENARY SESSION 4:

### Development Cooperation with Middle Income Countries

16 April, 14:45-16:15, Main Plenary Room

#### Objective:

To engage, during the 1<sup>st</sup> HLM in Mexico, in discussions regarding the rightful place of Middle Income Countries within the new development cooperation architecture, including a broad reflection on the ways in which the international community can continue to support their development efforts in order to enhance results.

#### Introduction/Background:

MICs are a heterogeneous and diverse group by size, population and income level, development potential, and economic and social achievements and performance. They are home to 5 of the world's 7 billion people and 73% of the world's poor, with poverty rates ranging from around 2 percent to more than 60 percent. MICs also represent about one-third of global GDP and are major engines of global growth.

At a policy level, the current classification has had important implications because the thresholds are used in various ways by a number of bilateral and multilateral donors, as well as by various non-development actors (such as investment ratings agencies) in their decision-making processes to determine the terms of engagement with the countries included in this category.

However, a concept that is based exclusively on an indicator as limited as GNI per capita overlooks the broadly recognized fact that development is a complex, non-linear process. On the one hand, it creates a group of countries that encompasses many different realities, both in terms of challenges and vulnerabilities, as well as in terms of capacities and potential. Many MICs continue to face acute problems of inequality and lack of social inclusion, and some still have challenges and conditions similar to other country categories.

There are many global development issues that have a particular impact on MICs, such as domestic inequality, lack of access to basic services, chaotic urbanization and the challenges associated with the structural nature of gender inequality and the effective implementation of human rights. The active engagement of MICs in the international development community is fundamental to address these matters, for they can be key promoters of social inclusion policies targeting particularly vulnerable populations, often overlooked.

In order to avoid the "middle income trap", MICs are still in need of international support to catalyze their own economic, social, and structural transformation. This support might be as diverse as MICs themselves. Recognizing that ODA flows, including for the provision of loans, as well as grants, remain essential in some cases, for others the main emphasis should be on capacity building in matters related to public policies, knowledge sharing, and exchange of experiences and lessons learned.

Also, it is important to emphasize the multiplying effect that cooperation with MICs can have: on the one hand, because of the direct impact it can have on the achievement of the Millennium Development Goals, and on the other hand, because it can reinforce the institutional and technical capacities for Higher MICs to collaborate with countries of a relatively lower development level through South-South and Triangular Cooperation.

Middle income countries are of systemic importance in key areas that have the characteristics of global public goods. Growth and stability in MICs therefore posts a considerable potential benefit for the rest of countries and works towards global stability and peace.

### Deliverables:

1. Concrete actions by the international development community to support poverty reduction and inclusive growth in MICs,
2. Explore different criteria for country classification and their implications for international development cooperation.
3. Identify and share good practices / approaches in supporting developing countries during their transition from LIC/LDC status,
4. Present case study or initiative, regarding the role of local governments,
5. Explore the coherence of developed countries' aid and non-aid policies that impact on development (e.g. trade) in MICs.

### Session Format:

1 hour 30 minutes, Davos-style, dynamic discussion. 8 panellists and 5 commentators (pre-determined speakers who will contribute from the floor). Classroom seating.

### Panellists:

- **Mario Pezzini**, Director of the OECD Development Center (moderator)
- **Hans Rosling**, Founder of Gapminder (academic presentation)
- **Juan Manuel Valle Pereña**, Executive Director of AMEXCID, Mexico (opening remarks)
- **Ashraf al-Araby**, Minister of Planning International Co-operation, Egypt
- **Gioconda Ubeda Rivera**, Vice Minister of Foreign Affairs of Costa Rica
- **Alicia Bárcena**, Executive Secretary of ECLAC
- **Hubert Julien Laferriere**, UCLG Champion
- **Gonzalo Robles**, Secretary General of International Cooperation for Development, Spain

### Lead Discussants:

- **Margaret Chan**, Director General of the World Health Organization
- **Godfrey Simbeye**, Executive Director, Tanzania Private Sector Foundation
- **Kjeld Jakobsen**, TUAC (Brazil)

### Organisers:

- AMEXCID, Ministry of Foreign Affairs, Mexico

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For further / detailed information please refer to the concept note (link will be provided)