

**COMMUNITY OF LATIN AMERICAN AND CARIBBEAN STATES (CELAC)  
PRO TEMPORE PRESIDENCY**

**"Next Steps for Development in Transition"  
DEVCO -OECD-ECLAC Meeting  
Brussels, May 18, 2017**

**STATEMENT**

Ladies and Gentlemen,

1. I have the honor to address you as the Pro Tempore Presidency of the Community of Latin American and Caribbean States, CELAC.
2. We thank the Directorate General for International Cooperation and Development of the European Commission (DEVCO), the Development Center of the Organization for Economic Cooperation and Development (OECD) and the Economic Commission for Latin America and the Caribbean (ECLAC), for calling this important meeting that invites us to reflect on the challenges of development within the framework of the Agenda 2030 for Sustainable Development, in particular for the countries listed as middle income.
3. For CELAC, this discussion is not new: the efforts made by all countries of the region, and in particular the Middle Income Countries, to guarantee the implementation of the Sustainable Development Agenda and its Sustainable Development Objectives (SDGs) are affected by the current graduation criteria of the list of eligible countries subject of ODA; based on a biased approach to development and applied by the OECD Development Assistance Committee (DAC) and other International Financial Institutions, therefore, the subject has been approached on different occasions.
4. As expressed by the Heads of State and Government of CELAC in the Special Declaration No. 17 on graduation criteria under the SDGs at the V Summit in Punta Cana last January, we are "Conscious of the importance of International Cooperation in the implementation of 2030 Agenda for Sustainable Development and its Goals and Objectives, in the economic, social and environmental dimensions, in a balanced and integrated manner; we recognize that each country faces specific challenges on its way to Sustainable Development and must consider its different realities, capacities and levels of development to respond to its national priorities, requiring intensification of international financing, including concessional and non-concessional, in addition to national resources to strengthen capacities at the country level".

5. Although the countries of Latin America and the Caribbean have made considerable efforts and made significant progress, serious inequalities and poverty still exist, affecting the most vulnerable groups of the population.
6. Inequality is a real threat to the countries of Latin America and the Caribbean, which according to ECLAC "has hindered sustainable growth and social inclusion", in addition there are structural gaps of a multidimensional nature within the countries, which are expressed in asymmetries and high levels of unemployment and underemployment, particularly in youth, a population sector that deserves our priority attention.
7. On this occasion, CELAC wishes to reiterate the following:
  - The current classification of countries, established under the sole GDP per capita criteria, does not take into account the multiple dimensions of the integral concept of sustainable development, nor the social and territorial heterogeneity that characterizes this group of nations; the countries considered as middle income in our region still face great challenges to address inequality and their specific development needs, in which international cooperation plays a relevant role. Therefore, efforts to address these challenges must be reinforced; hence the importance of identifying, prioritizing and measuring structural and inequality gaps, in order to better understand those needs in accordance with national priorities, national legislations and development plans of each country.
  - The need to find, in coordination with the United Nations System, international financial institutions and regional organizations, new parameters capable of complementing the current classification criteria, to reflect more accurately and equitably the degree of development of each country, addressing the economic, social and environmental realities, which is why we consider essential to include the analysis of structural gaps and multidimensional approaches to the measurement of poverty in this context.
  - We recognize the Agreement adopted at the CELAC-EU Ministerial Meeting held on October 26, 2016, to conduct a process of reflection and consultation to address the new challenges related to the implementation of Agenda 2030, including the issue of graduation, in order to adequately reflect the realities and challenges of the Latin American and Caribbean populations and their possible side effects on bi-regional cooperation, with a view to presenting results at the Third CELAC-EU Summit in 2017.
  - Continue working with our partners on the development of transparent indicators that go beyond the per capita incomes, reflecting more accurately the reality of all countries in the region and recognizing the multidimensionality of poverty and inequality, as well as the social, economic and environmental dimensions of development.

- The call to reflect on our relations of cooperation for development, recognizing new modalities and instruments of cooperation that contribute to meet the challenges of the Middle Income Countries that transit this path, highlighting the importance of ODA and the need to continue making efforts to modify the graduation criteria.
- There are multiple factors that determine the level of income and should be incorporated into the graduation criteria. One of them is the gap between income produced in urban and rural areas.
- We also recognize the importance of the contribution of the Middle Income Countries to international cooperation for development through the different modalities of South-South Cooperation. The potential for increased contributions from Middle Income Countries is directly related to the access of these countries to international cooperation and financing mechanisms.
- We reaffirm that the promotion of development requires the formation of an unprecedented global alliance that involves the different development actors at national and international levels. In this regard, we emphasize the need to promote a comprehensive and non-exclusive system of international cooperation that contemplates schemes for all developing countries.

Ladies and Gentlemen,

- We emphasize the importance of continuing with the reform of the international financial system, especially the International Monetary Fund, in order to improve, expand and enhance the voice and participation of developing countries in processes of international decision-making and norm-setting in economic matters and in world economic governance.
- We reaffirm our commitment to work together as a mechanism for dialogue and concertation to advance the development of a common position, to allow us to interact with relevant countries and extra-regional partners, as recipients of ODA and International Cooperation, south-south, bilateral and triangular, and thus to achieve our sustainable development successfully, seeking to ensure that CELAC countries continue to participate in an effective manner, so that no one is left behind.
- Finally, the CELAC countries renew our commitment to the Agenda 2030 and the achievement of the SDGs, despite the difficulties in the economic context of the region, which respond to the slow recovery from the financial and economic crisis of 2008 and to an increasingly unfavorable global trade scenario for the Middle Income Countries and vulnerable economies.