

Special Declaration 13: Of the Community of Latin American and Caribbean States on challenges of CELAC Middle-Income Countries: towards a results based approach

The Heads of State and Government of the Latin America and the Caribbean States gathered in Costa Rica, on the occasion of the Third Summit of the Community of Latin American and Caribbean States (CELAC), on 28 and 29 January 2015;

Reiterating the right that each nation has to peacefully and freely build its own political and economic system, in accordance with the sovereign mandate of its people, and the principles of flexibility and voluntary participation that underlay in CELAC's actions, and within the framework of the full enjoyment of human rights comprised in the various documents of the United Nations;

Recognizing that the majority of Latin American and Caribbean countries have been classified as middle-income countries, limiting therefore their access to concessional financing;

Recalling that the current middle-income countries classification does not take into account the multiple dimensions of the integral concept of development nor the social and territorial heterogeneity of this group of countries;

Recognizing that serious situations of inequality and poverty affecting particularly the most vulnerable population groups persist in the Latin America and the Caribbean, hindering the achievement of a inclusive sustainable development; that within countries there are structural gaps of multidimensional nature expressed in asymmetries; and that unemployment and underemployment levels, particularly of the youth, remain high in many of our countries;

Recognizing that though countries classified as middle-income countries in our region have made significant progress in the fulfillment of internationally agreed development goals, including the Millennium Development Goals, they still face serious challenges in poverty in its multiple dimensions and have specific development needs in which international cooperation plays an important role. Hence the importance of identifying, prioritizing and measuring structural and inequality gaps to better understand such needs, in accordance with national priorities and development plans of each country;

Recalling that Latin American and Caribbean countries are experiencing slow economic recovery from the world financial and economic crisis which has significantly affected the socioeconomic gains made by the region in the achievement of development goals;

Wishing to share economic and financial experiences that enable the development of a productive dialogue on measures to address the impact of the international financial crisis, particularly to support the most vulnerable sectors; Stressing the important role that middle-income countries have in the context of development cooperation and highlighting the importance of supporting their invaluable role in SouthSouth and triangular cooperation, and recognizing the conformation of an archive of SouthSouth cooperation practices; we reiterate that the support of the international community both bilaterally and through organisms, is still required to continue contributing to the sustainable development of our countries;

Further emphasizing the importance for the States to cooperate and work together for mutual benefit, particularly countries with special needs, such as LLDCs, and the Caribbean SIDS which are small, open and vulnerable to the fluctuations of external markets, the fluctuations of the global economy, and the increasingly disruptive natural events provoked by the still unchecked effects of climate change;

Recognizing that this vulnerability is exacerbated because in addition to the harmful effects of the global financial and economic crisis, our countries must also deal with the policies of differentiation or graduation, which compromises the access of middle-income countries to concessionary funding and to Official Development Assistance;

Highlighting the importance for all developing countries to continue being eligible for receiving international cooperation, both bilaterally and multilaterally, including the cooperation provided by the United Nations System;

Highlighting also the need to find new parameters and alternative methodologies, complementary to the existing criteria, for classifying middle-income countries, which reflect more accurately and equitably the development level, the complexity of each country and poverty in its multiple dimensions, including in this context the analysis of their structural gaps;

Reaffirming our commitment to resolution 68/222 "Development Cooperation with middleincome countries" of the United Nations General Assembly;

Reaffirming the need for meaningful reform of the international economic governance system which would give real voice and representation for the participation of developing countries, thus enabling them to benefit from growth and equitable development;

1. Welcome the outcome of the Third UN Conference on Small Island Developing States, the SAMOA Pathway, which comprehensively addresses the full range of priorities of SIDS, many of them MICS, to include: Sustained and Sustainable, Inclusive and Equitable Economic Growth with Decent Work for All; Biodiversity; and most importantly, the Means of Implementation.

2. Urge action to adopt measures consistent with the call of the High Level Conference on Middle-Income Countries held in San Jose, Costa Rica on 12 to 14 June 2013, for promoting a joint position regarding the status as developing countries of CELAC members, given existing asymmetries, including those expressed at the regional, local and territorial levels, and we call upon to adopt new measurement criteria that reflects the multidimensional approach of development.

3. Welcome the progress made in the challenges faced by middle-income countries in the international economic agenda, and the ongoing dialogue with various international financial institutions such as the International Monetary Fund and World Bank, and as such, encourage continued support for cooperation and engagement of interested countries on these matters in the United Nations and other international forums.

4. Urge international financial institutions to assess their policies on differentiation and graduation and to grant small indebted middle-income countries access to loans at concessionary rates, to allow debt restructuring in sustained and favorable conditions, while progress is achieved internally.

5. Reiterate the need of developed countries to fulfill their commitments on development cooperation, particularly those related to Official Development Assistance through additional, predictable and enough financial resources, effective cooperation measures, including triangular cooperation for capacity building and technology transfer.

6. Recognize the contribution of international cooperation for development received by our countries and highlight the need to have indicators to reflect more accurately the reality of middle-income countries and more specifically the particularities of the Caribbean SIDS.

7. In this context and considering that the current criteria on middle income, based solely on per capita income, do not reflect the complex and diverse realities of these countries, we underline the need to review the methodologies and urge to create a more solid basis to measure progress in terms of development, such as the measurement of multidimensional poverty, structural gaps approach or evaluation of human development index, all mutually complementary methodologies, and we stress the importance of supporting statistical capacity building in these countries.

8. Recall that progress in Latin America and the Caribbean has been limited by the slow recovery from the financial and economic crisis as well as by complex challenges in terms of promoting equality and public safety, the hazardous effects of climate change, and lack of adequate access to mitigation and adaptation financing and to the official development assistance that developed countries pledged to provide, among others.

9. Further call upon the United Nations System in general and to the United Nations Development Programme in particular, taking into account their universal presence and the role it will play regarding the Post-2015 Development Agenda, to improve its institutional and financial mechanisms regarding the problems faced by the countries classified as middle-income countries, taking into consideration the specific development needs of these countries and the impact of their development in their capacity to contribute to South-South cooperation.

10. We call on development cooperation to be effective in countries classified as middleincome countries; and to be based on the specific situation of each of them, and on their respective sectorial and regional capabilities. For example through innovative financial mechanisms, loans concession, and technical cooperation, or the granting of concessions if necessary; as well as, through bilateral ODA for countries that still need it, particularly lower middle-income countries.

11. We express our profound interest in establishing a truly global partnership for development based on the Monterrey Consensus, the Doha Declaration on Financing for Development, and the outcome document of Rio+20, which integrate all subjects of the development agenda that will be galvanized by the Third International Conference on Financing for Development. In that context, we recognize the importance of CELAC preparatory meeting to be held in March 2015, in Santiago de Chile, with the objective to contribute to the regional dimension of the process.

12. Renew our permanent commitment to work in the fulfillment of MDGs and strengthen our joint efforts in the process for the elaboration of Post-2015 Development Agenda and the preparatory process of the Third Conference on Financing for Development, to be held in Addis Ababa, Ethiopia, in July 2015. We reiterate our desire to continue promoting the establishment of a Comprehensive Action Plan for cooperation with middle-income countries within the framework of the United Nations and to link its objectives with the agreements to be reached in the Post-2015 Development Agenda.

Belén, Costa Rica, January 29th, 2015