## **→** FUNDS 2013 Expert survey

November 2013





### **Key take aways: Importance of emerging economic powers**

#### New emerging economic powers will play an important role

86% percent of respondents find that emerging economic powers (EEP) will play a more important role in the UNDS in the future. The most significant role is considered to surface in relation to emerging economic powers influence related to development agendas (83%).

Emerging economic powers are expected to take on a more modest role in terms of implementation (50% expect EEP's to play a more active role) and monitoring of development agendas (45% expect EEP's to play a more active role). Expectations regarding the future role of EEPs in terms of implementation and monitoring are closely linked to the general expectation regarding the importance of the EEP going forward. Among the respondents who do not expect EEPs to play a more important role in the future, only 42% expect that EEP will play a more important role with respect to influencing development agendas. The corresponding share for implementation and monitoring is 5% and 29% respectively.

#### **Emerging economic players are considered to represent an opportunity**

69 % of respondents consider the development within emerging economic powers to constitute an opportunity, while 27 % expect the increased economic and political leverage among emerging economic powers to constitute a challenge.

In spite of the fact that approximately ¼ of the respondents consider the development within the EEP to constitute a general challenge, there seems to be general consensus that emerging economic powers will constitute a positive addition to the UNDS on a number of dimensions. More specifically, 97% of respondents see a positive impact related to a broader recruitment base with respect to senior positions, 94% see a positive impact for a diversification of funding, while 85% of respondents expect a positive impact in terms of the development of international norms and conventions. Expectations regarding the importance of EEP going forward do not seem to have a significant impact on whether respondents expect the development within the EEPs to constitute an opportunity or a challenge.

### Key take aways:Leadership and participation of emerging economic powers in the UNDS' future reform agenda

#### Emerging powers will play a greater role in influencing the UNDS' future reform agenda

87% of respondents expect emerging economic powers to take intellectual leadership on UNDS' future reform agenda, while 78% presume that emerging economic powers will take part in the actual implementation of reforms. The expectations in regard to the role of EEPs in terms of influencing the UNDS's future reform agenda and making a contribution to the implementation of reforms, do not vary much between the group of respondents who perceive the EEP's to constitute an opportunity and a challenge respectively.

#### **Emerging economic powers are expected to align internally**

68% of respondents expect more consensus among the group of emerging economic powers. In contrast only 41 % of respondents expect a higher degree of consensus between EEP and developing countries, while 39 % expect increased consensus between emerging economic powers and developed countries.

Expectations of future consensus between EEPs and developing and developed countries respectively, seem to be linked to the respondents view on whether the development within the EEPs constitutes an opportunity or a challenge. Those who expect EEP's to constitute a challenge also expect less consensus. Only 24% and 26% expect more consensus with developing nations and developed nations respectively. Among those respondents who view the development within the emerging economic powers as an opportunity, 53% expect more consensus among EEP and developing countries, while 50% expect more consensus among EEP's and developed countries.

# Key take aways: Funding and representation of UNDP in emerging economic powers

#### **Emerging economic powers should contribute with core funding**

A majority of respondents (81%) find that the future pattern of funding by EEP should include core funding, while the corresponding shares for ear-marked funding and payment for services from the UN system is 53% and 56% respectively. Among the respondents who find that the future pattern of funding by EEP should include core funding, many respondents also find that the future funding pattern should involve either ear-marked funding (50%) or payment for services from the UN system (54%). 25% of respondents find that the future pattern of funding by EEP should involve all three sources of funding.

## <u>Ear-market funding should primarily be directed towards specific countries and regions, including south-south cooperation</u>

In terms of ear-marked funding provided to the UNSD by the EEP, respondents find that funds should primarily be directed towards specific countries and regions (79%) or specific development areas (72%). Only 57% of respondents find that emerging economic powers should provide ear-marked funding for specific organizations.

#### The UNDS should maintain offices in emerging economic powers

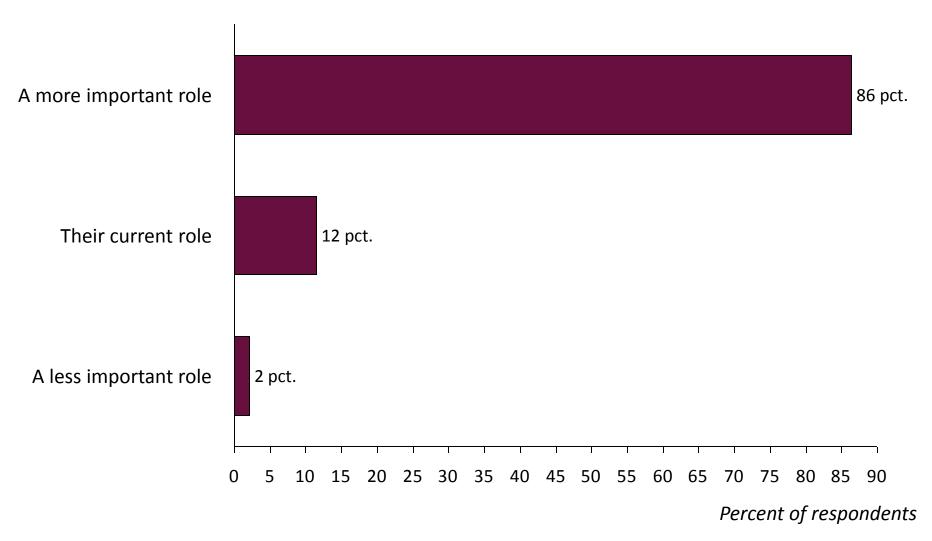
79% of respondents find that the UNDS should maintain its offices in emerging economic powers and 82% find that representations should be structured as a single unified office structure. However, 61% find that a unified office should not be joined with the World Bank or other multilateral organizations.

The perception of preferred office structure is closely related to whether the respondents believe in a continued presence in emerging economic powers or not. For respondents believing in continued country representation only 29 % believe in unified offices, while the corresponding share among respondents who do not support continued presence is 60 %. Among the respondents who support a continued presence of UNDS in EEP, 37% believe that representations should be fully funded by host countries. For respondents who are unsupportive of continued presence of UNDS in EEPs the corresponding share is 48 %.

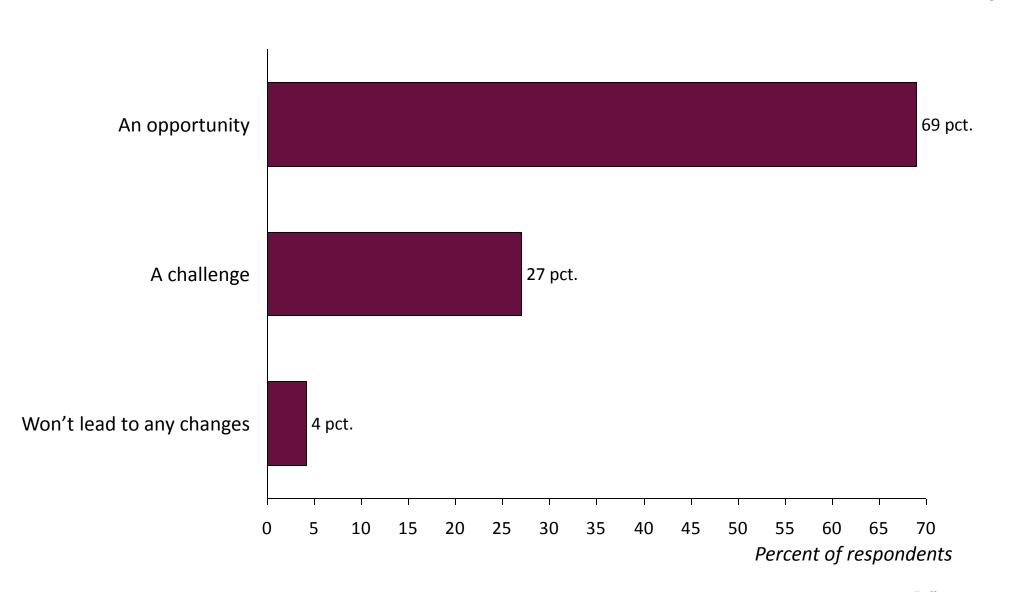
### **Agenda**

## Introduction **PART 1**: Roles and impact of emerging economic powers in the United Nations development system PART 2: Financial contributions of emerging economic powers to the United Nations development system **PART 3**: Representation of the United Nations development system in emerging economic powers **PART 4**: Respondent details and comments

#### What type of role will emerging economic powers play in the future UN Development System?

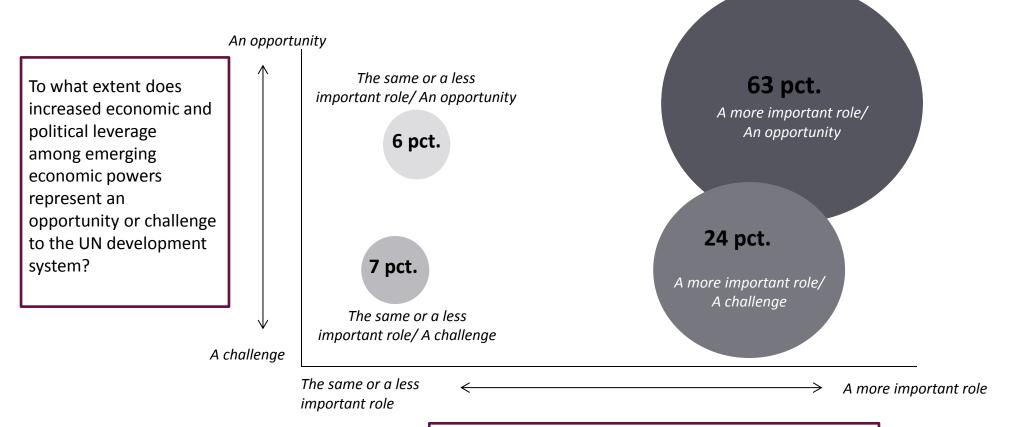


To what extent does increased economic and political leverage among emerging economic powers represent an opportunity or a challenge to the UN development system?



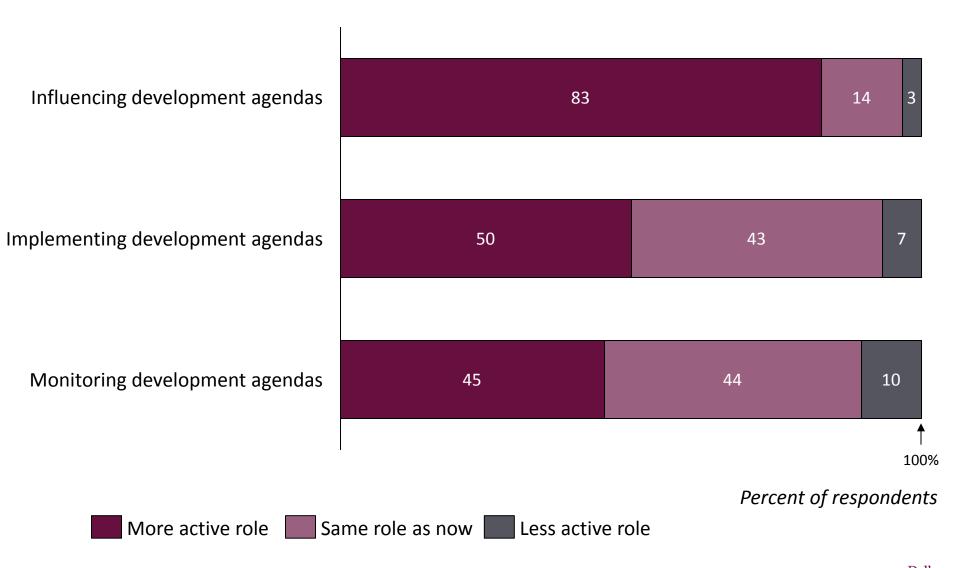
### Prospects of emerging economic powers in the UN development system

63 percent of all respondents consider the increasing leverage in emerging economic powers an opportunity and believe these will play a more important role in the future



What type of role will emerging economic powers play in the UN development system?

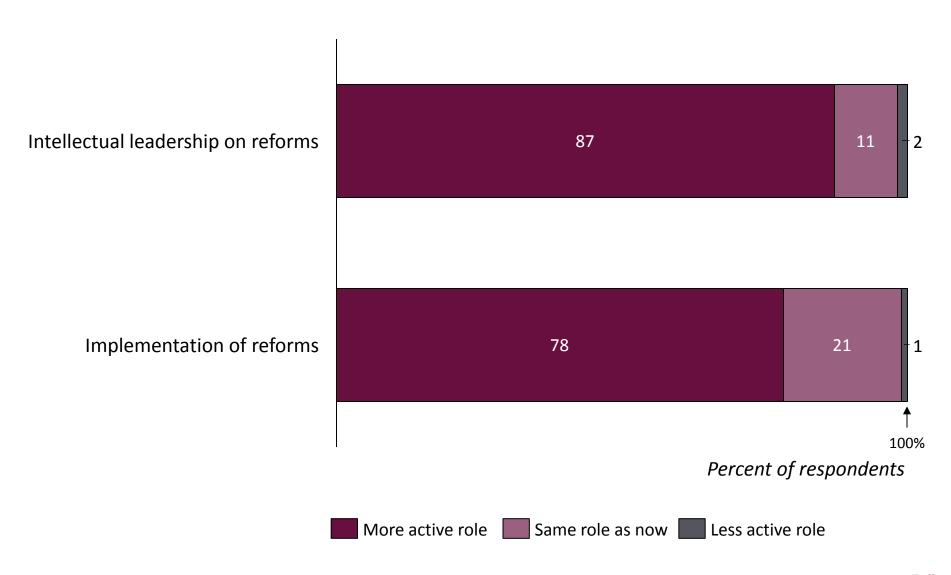
## What roles do you expect emerging economic powers to assume in terms of UN development system agenda-setting when compared to developed economies?



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What roles should emerging economic powers assume in terms of the UN development system's future reform agenda when compared to developed economies?



## What could be some of the positive impacts of emerging economic powers on the UN development system when compared to developed economies?

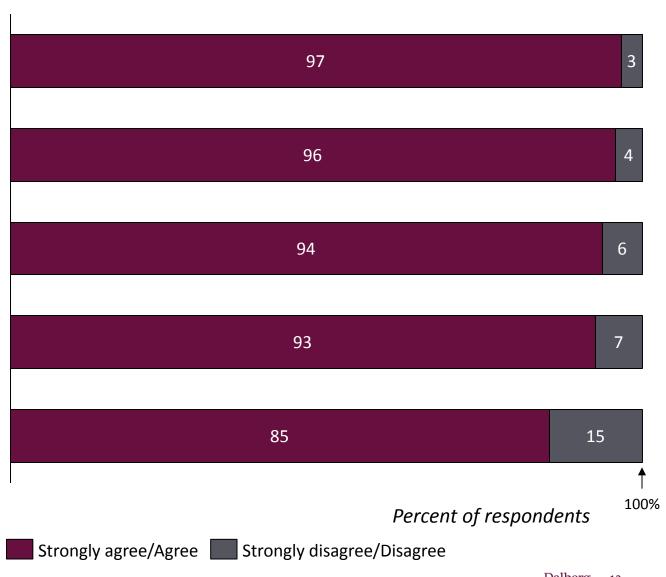
A broader recruitment base with respect to senior positions

More nuanced knowledge base with respect to discussions and prioritization of development agendas

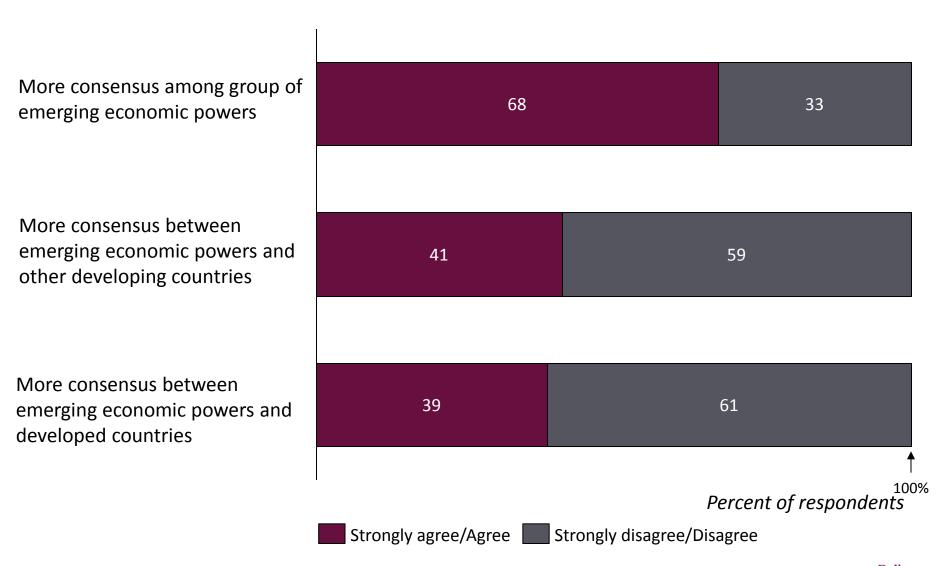
Increased diversification of funding

Additional funding to UN development organizations and agencies

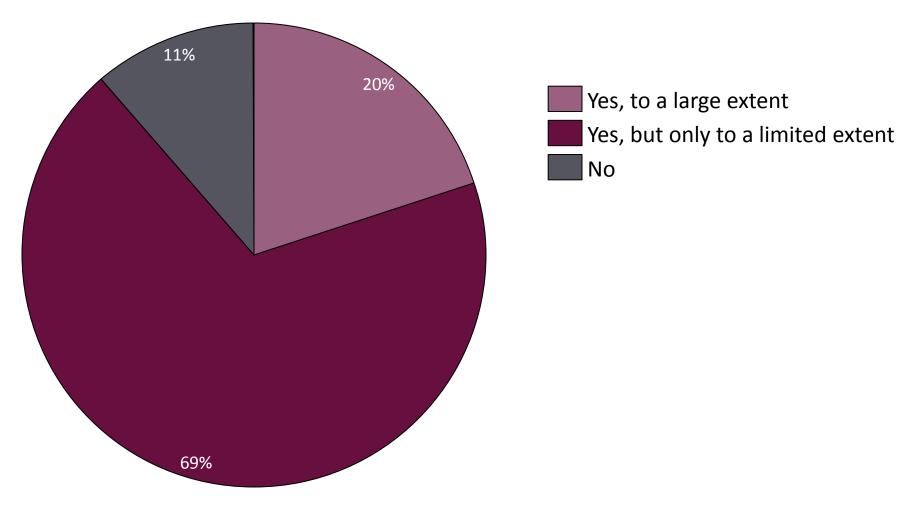
Increased contribution to international norms and conventions



#### What will be the future impact of emerging economic powers on discussions in UN forums?



Will the economic progress of emerging economic powers lead them to engage in discussions on development cooperation resources more as donors than recipients?

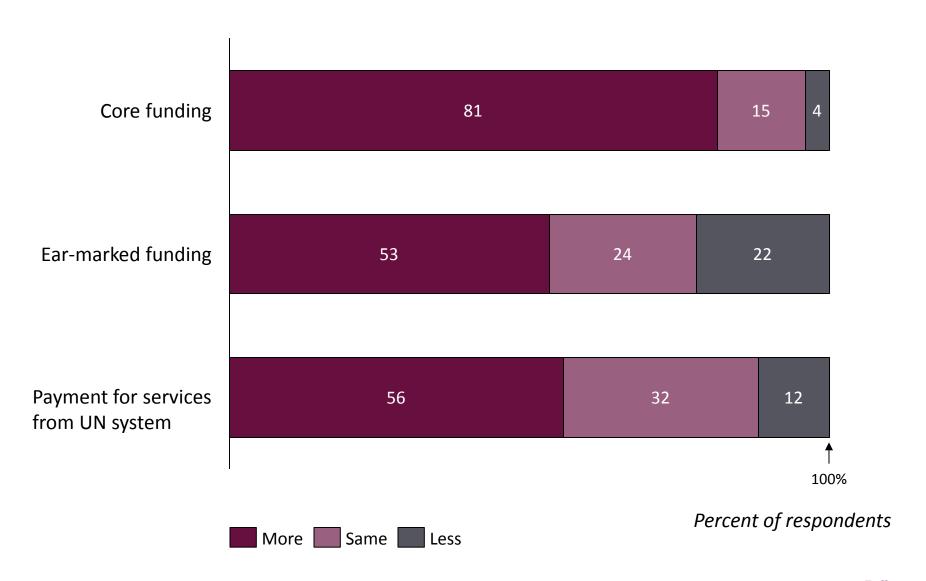


Percent of respondents

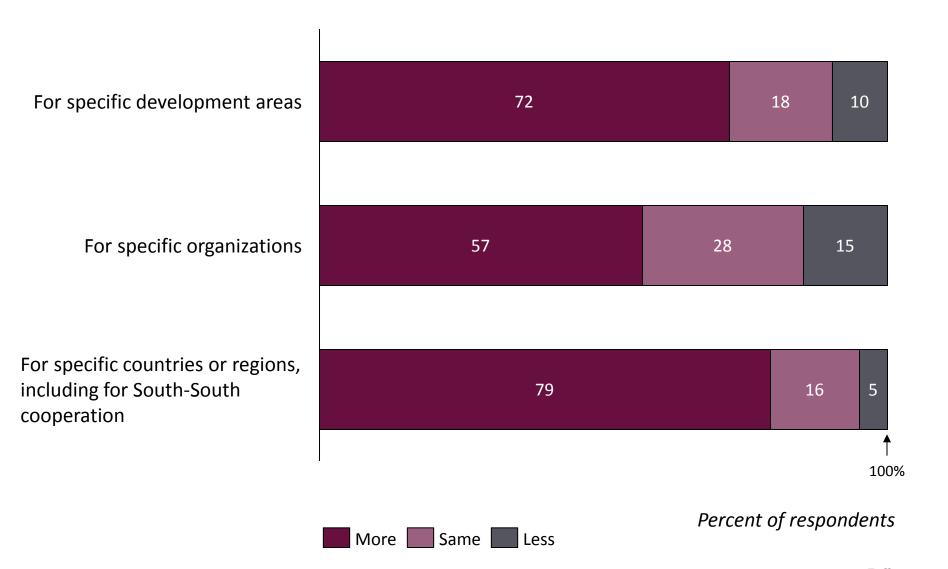
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## What should be the future pattern of funding by emerging economic powers to the UN development system?



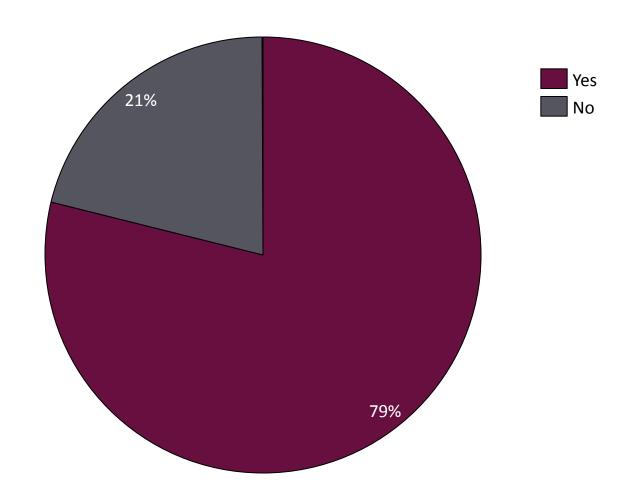
## What type of ear-marked funding should emerging economic powers provide to the UN development system?



### Agenda

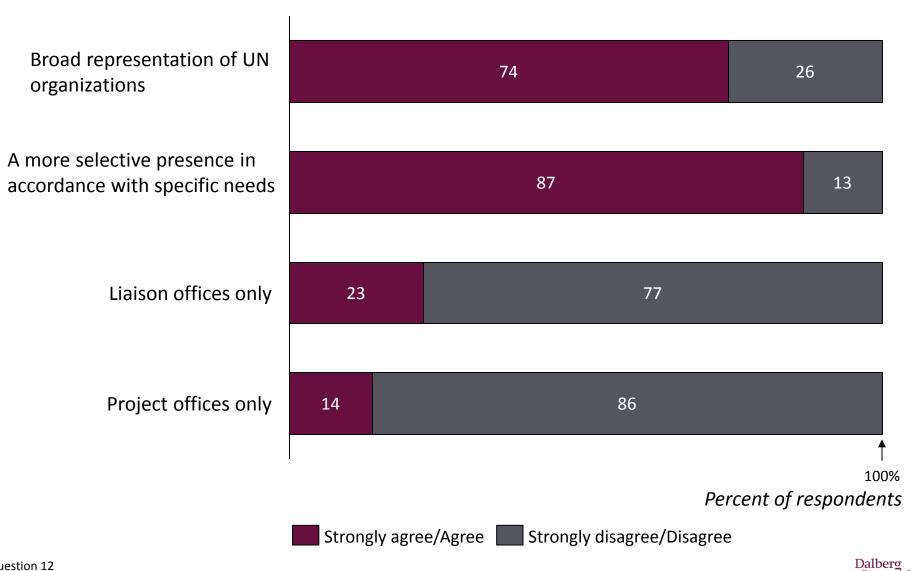
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# Should the UN development system maintain its representation (offices, staff, funding etc.) in emerging economic powers?

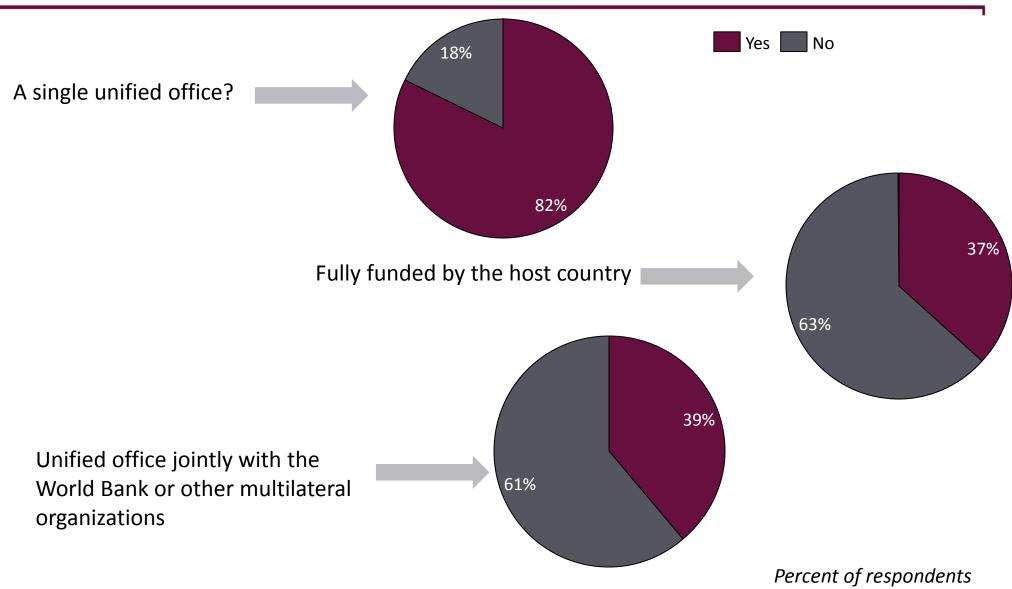


Percent of respondents

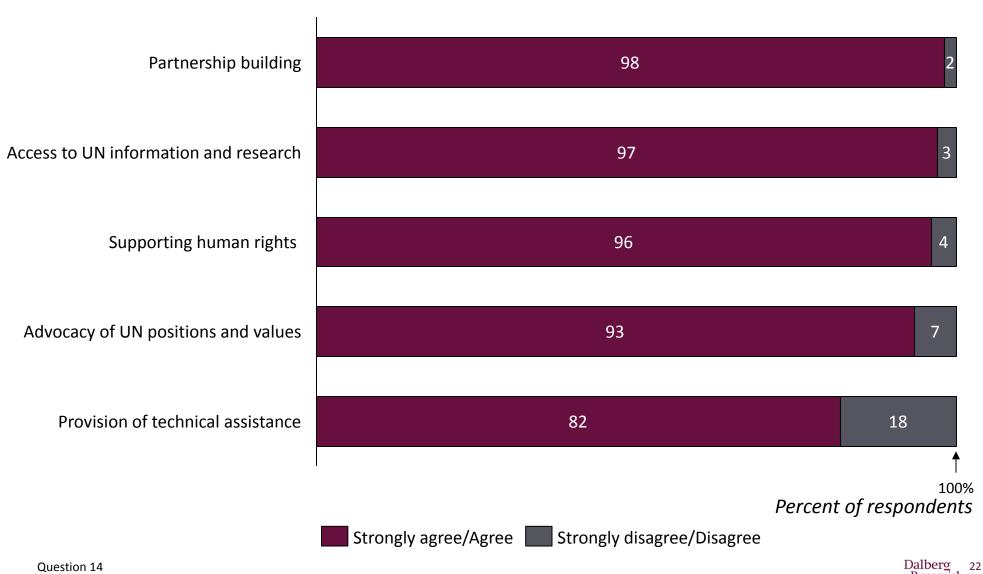
#### How should the UN development system be represented in emerging economic powers?



If the UN development system continues to have a country presence in emerging economies, should the office(s) be:



#### If the UN development system continues to have a presence in emerging economic powers, what should be the principal functions?

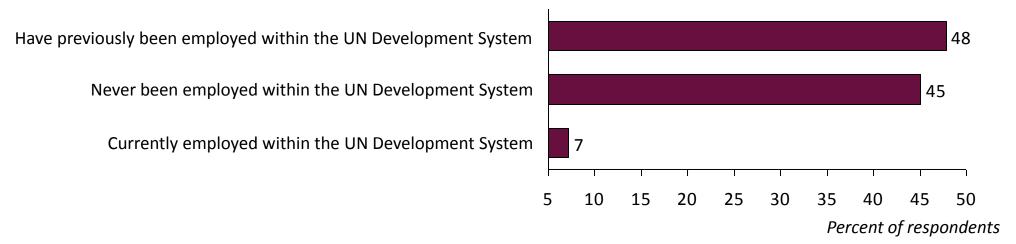


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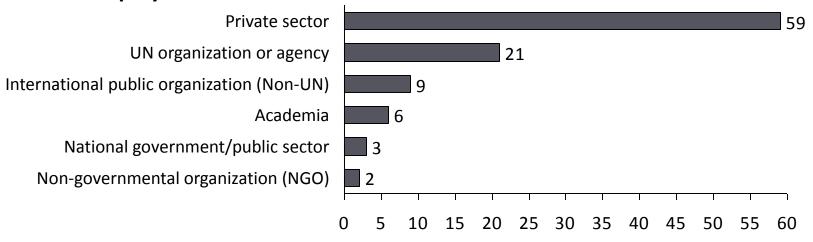
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### **Respondent details**

#### Affiliation to the UN Development System



#### **Principal sector of career employment**



# What could be some of the positive impacts of emerging economic powers on the UNDS when compared to developed countries?

Additional funding is feasible. For this to be achieved, UNDS mechanisms must be reshaped. There should be mechanisms for regional funding arrangements. Most emerging powers are not global players; they are more interested in their own regions and sub-regions. The UNDS should therefore have regionally targeted funds and multilateral and bilateral arrangements focused on regions and sub-regions.

An expectation would be greater burden sharing, especially in the form of increases in their current very low core contributions to UNDS. Increased diversification of funding is considered the opposite. Increased contribution to international norms and conventions would in principle, be welcomed as it would strengthen the ownership to these norms and conventions - the big question, however, is whether present norms will be weakened as a result.

There are potential positive effects if the opportunity for engagement and leadership is used by the emerging economies, but it can also be a challenge if desire to lead and influence is not followed by desire to implement and share burden, including financially.

I would expect resources generated from emerging economies to be channeled more directly to strengthen South-South economic cooperation and less dependent economies on aid resources from developed countries partners.

The emerging economic powers could and would play a much stronger role, if they could rise above national or parochial interests vis a vis developed economies.

## What should be the future pattern of funding by emerging economic powers to the UNDS?

The prospects for earmarked funding should be attractive. For this, UNDS must develop productive proposals which cater to the agendas of emerging countries. This is why regional and sub-regional mechanism for funding are important.

- Unless the net contributor system is revised and invigorated by the UN system, emerging economies' pattern of funding will not be changed. There are still corners in the UN system, where donors' perceptions about some of the new economies, particularly oil producing countries are the same as before. They see these countries' obligation to the UN system as a MUST if they want to be part of it. I believe the UN system has yet to work hard to bring these economies to recognize and appreciate the Global Agenda.
- Core contributions would constitute the preferred option since it would reflect confidence in the overall agenda of the UN development system; as common knowledge indicates, earmarked funding, often, although not always, hides political and strategic self-interest on the part of the donor and should be welcomed by the UN System only after thorough scrutiny.

The emerging economic powers are just that: "Emerging" not yet meeting the criteria nor considered as "Developed".

As long as the criterion for contribution is based on ability to pay, then developed countries should continue to pay more than emerging economies to core and earmarked resources.

## What type of earmarked funding should emerging economic powers provide to the UNDS?

The key point is that emerging economies should rebalance their funding mix from exclusively earmarked contributions to more core funding. With economic growth, multilateral responsibility should follow.

To prevent targeting specific policies that will have selective benefits, preference should be to fund overall UN system and not specific projects and/or areas.

- There should be no difference in treatment between donors from developed countries and emerging economic powers, as this would be contrary to the principles of neutrality and universality. What will happen in practice may be a different issue, but as the question asks for what it "should" and not what you "expect", giving scope for specific focus would go into the wrong direction.
- Different EEPs will take different routes. Some, e.g. China, will link development help with their own economic interests. It would be good if EEPs contributed more to continental and regional cooperation institutions.
- Earmarking of funds should be strongly discouraged in general. Pooling funds mechanism and delivering as One approach should be strongly encouraged.

### How should the UNDS be represented in emerging economic powers?

In emerging powers, it's important to be represented in a way that is able to deal with policy issues in a partnership way. This requires strategic leadership skills not just programme delivery skills. The system will be developing a different relationship with the countries as they develop. There will be much to learn between emerging powers and others in the system, both developed and developing. With the new SDG approach, developed countries will need to be learning from others too.

This would depend on the emerging economy. They are diverse and different in needs and UN involvement so it is difficult to provide general responses to this set of particular questions.

UN system presence in any country should be based on a country-specific cost-benefit analysis, there should be no standard rule. Emerging economic powers should contribute to the cost of the UNS country-office presence for what goes above a minimum level to be decided upon.

An active UN presence should be articulated, even more because of knowledge and capacity building expertise than sheer funding (which the UN System is woefully low on). Many of the emerging economic powers have significant poverty pockets, mediocre governance schemes and high inequality.

UN representation should be properly coordinated. Field offices of the various agencies should operate exclusively under the Resident Coordinator.

# If the UNDS continues to have a country presence in emerging economic powers, should the office(s) be:

The UN development system should continue to have presence not for economic but for the monitoring of norms and standard. It will be an arm of global governance with the UN decision making done by G-7 but also G-20 countries. The failure to reform the UN along these lines will weaken the UN further which will be replaced by G-20 in running the global issues.

The autonomy of the UN is important to preserve in country, joint offices with other multi-laterals should not restrict activities needed.

A structure that is complementary to the EEP's own development cooperation ministry and is fully funded by them.

Emerging economic powers should have relationships with headquarters of UN bodies, depending on the interests of those countries.

The decision of whether there should be a single or several offices should be decided on a case-by-case basis of needs of the country. Some of the UNS offices may be embedded in their counterpart ministries or organizations. The cost and benefit of single or multiple offices needs to be assessed on a case-by-case basis, there should be no standard rule but standard principles against which to assess the modality of UNS presence at country level.

Not really a single unified UN office but a coordinated one, where all UN agencies can work collectively in line with needs of that specific country.

# If the UNDS continues to have a presence in emerging economic powers, what should be the principal functions?

The presence of a local office does not create greater influence by the UN at the local level. This can be better done through high level contacts between headquarters and local government entities and personnel.

Human rights are a UN value that might be misconstrued as the foreign policy of some leading nations and therefore must be kept within the UN realm.

This points to a more mature partnership where the UNDS office is both helping the host country in its own rapid development but also co-opting them and their experience into the wider development system. Norms and conventions are only as strong as the weakest implementer - if emerging voices are not heard and debated with, they may continue to stand aside from the core debate. They should be increasingly part of it.

Increased research, analytics, KM, innovation, convener of ideas/partnerships. Project implementation should either be carried out jointly with private sector entity or left entirely to private sector to implement.