

# Where are the core contributions to the United Nations system going?

By Peter Linnér

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## Introduction

The question 'Are the core contributions to the UN system disappearing into a black hole?' is repeatedly being asked by politicians from donor Member States, sometimes rhetorically, sometimes for accountability reasons in order to ensure that resources from taxpayers will be put to good use.

This is exactly what will be explored in this article. While other contributions in this, and previous Financing the UN Development System reports have argued for the importance of core resources as quality funding or as more efficient compared to non-core resources, this article will dig deeper into what the core resources are being spent on.

## What are core resources and what are earmarked resources?

Let's start by addressing what the concept of core resources entails. It encompasses the so-called assessed contributions to the UN system, the 'membership fee' paid by each Member State, calculated based on the size of its economy.<sup>1</sup> For example, in 2024 the United States and China paid the highest fees at 22% and 20% respectively of the total assessed funding.<sup>2</sup>

Currently the Member States with the smallest economies pay minimal fees. However, despite this being a mandatory fee, not all the Member States pay up. In 2024, 152 out of 193 Member States paid their contributions in full.<sup>3</sup> Furthermore, among those who do pay, not all pay in time. As of 29 April 2025, only 101 Member States paid their annual fee for 2025.<sup>4,5</sup>

These assessed contributions are directed towards the annual regular budget of the United Nations and is decided by the Member States, as a funding source of the UN secretariat and all its functions.

The resources finance the United Nations' special political missions, programmes on international justice and law, human rights and coordination of humanitarian operations, including several of the UN entities like for example the Office of High Commissioner for Human Rights (OHCHR) and the International Court of Justice. The United Nations' peacekeeping budget is constituted separately, but with the percentage shares determined in advance.

Core resources to the United Nations also include voluntary core contributions from Member States. This type of contributions is not mandatory, nor are they calculated based on the size of the donor Member States' economy. Instead, the funding volumes provided are entirely up to the decision of the donor Member State providing the funding.

These core contributions go directly to one specific UN agency or institution, and are referred to as core resources to fund the work of the United Nations Development Programme (UNDP) and the United Nations Populations Fund (UNFPA), for example, but can also be called regular resources such as funds paid to the United

Nations Children's Fund (UNICEF) or flexible resources as transferred to the World Food Programme (WFP).<sup>6</sup>

What characterises these resources regardless of their different names are that the funding is fully unearmarked. It goes towards spending on the Strategic Plan of that specific United Nations entity as decided by the Member States serving on the entity's Executive Board or similar governing structure.

In contrast, earmarked resources are the resources where the donor Member State has a specific request or preference in how the resources should be spent, within that same United Nations entity or agency.

If a donor would like to support a theme or a global programme within that entity, this allocation can then be called 'soft' earmarking. When a donor would like to support a specific project in a specific country to be executed by the identified entity, it is then referred to as 'hard' earmarking. So, in other words, the more precise the funding is, the 'harder' it is earmarked. And vice versa, the more encompassing or flexible the funding is, the 'softer' the earmarking is.

In 'The impacts of earmarked aid on development effectiveness and ownership' by Bernhard Reinsberg (et al) and the article 'The perfect UN financing storm has arrived: It's a tsunami!' by John Hendra in this edition of the report the benefits of unearmarked resources are presented and extensively discussed.<sup>7,8</sup> An overview can bring one to the conclusion that this type of resource allocation provides more flexibility, leaves room for stronger local ownership, enables more strategic planning and early responses to sudden crisis, shows greater results, and generates more additional resources compared to earmarked resources.

The UNHCR summarises this well in its '2023 Flexible Funding Report'. The text on the report landing page says: 'Many donors contribute "flexible funding" to UNHCR and its mandate as a whole: this is funding as an expression of trust in the Office; as an expression of solidarity with the people the Office serves; and funding which is reflective of good humanitarian donorship and other international principles and commitments. It allows UNHCR critical flexibility in how it responds to needs, and where'.<sup>9</sup>

## So, where exactly do the voluntary core and unearmarked contributions end up?

Well, it depends on the United Nations agency in question, its strategic plan and mandates. But overall, the largest part of those resources goes to programme implementation at the country level.

If we take UNICEF, as an example, the data tells us that of the nearly US\$ 1,3 billion it received in 2023 as regular resources or as core/unearmarked funds 74% totalling US\$ 961 million were spent directly on programme delivery.<sup>10</sup> Of this spending, 88% targeted beneficiaries at the country level.

The remaining 26% of UNICEF's total regular resources went to management and accountability results systems at 13,5% totalling US\$ 171 million and the remaining resources of 12,5%, an amount of US\$ 160 million is going towards private sector fundraising and partnerships, generating more resources.<sup>11</sup>

UNHCR have similar priorities for its flexible funding, where US\$ 840.5 million or 95% of what it received in softly earmarked funding, and US\$ 449.3 million or 64% of what it received in unearmarked funding, went directly towards expenditure at the country level.<sup>12</sup> The remaining resources are going towards its global programmes, but not towards 'headquarter costs', meaning that for UNHCR 100% of its flexible/unearmarked funding went directly to programme delivery in 2023.<sup>13</sup>

As part of its programme implementation, these resources finance the UNs most important asset, its staff. For some UN agencies working on human rights and democratic governance such as UNDP and OHCHR, or providing health expertise such as WHO, their programme delivery is made possible due to the availability of competent and experienced staff who can manage and implement these programmes.

For those UN agencies working mainly on humanitarian responses, such as the World Food Programme and UNHCR, the largest costs are for material support such as tents, blankets, food and water. But even for humanitarian

responses, the material delivery is impossible without the staff to deliver it, negotiate access and to ensure it reaches the people with the greatest needs.

Regarding UN staff costs, the salaries are not decided per project or even per UN entity, but determined by the Member States in the UN General Assembly, following recommendations by the International Civil Service Commission.<sup>14</sup> These recommendations in turn are based on the 'Noblemaire' principle, meaning that the United Nations should be able to recruit and retain staff with specified qualifications from all Member States including those positions with the highest salary levels. Accordingly, the Member State with the highest salary levels for civil service which is currently the United States is used as a comparison to determine appropriate salary levels. To encourage transparency, the information on United Nations salary levels and benefits is publicly available.<sup>15</sup>

The claims by UNICEF that core resources are generating more resources is also evidenced by UNFPA. They state that for every US\$ 1 dollar raised in core funding, it generates another US\$ 2,70 in additional revenues.<sup>16</sup>

Other data shows that core resources also help to generate financing innovation, as expressed by the WFP in their report on flexible funding.<sup>17</sup> The entity states that by using these strategies, the WFP managed to 'harness unprecedented advances in innovation such as mobile technology, Artificial Intelligence, blockchain and innovative finance, to reach 60.7 million people through 74 innovations.'

## Conclusion

In conclusion, while the exact percentages vary between UN agencies, the large majority of the core funding towards the United Nations is going directly towards programmatic delivery, most of that at the country level.

Over time, the United Nations has demonstrated that the availability of core resources also ensures that there is a basic 'infrastructure' in place with offices and sub-offices in the most remote and inaccessible conflict contexts, to reach the most vulnerable populations, often with very few

other actors present. Such infrastructure is also crucial to enable an entity to quickly scale up support and respond in times of a sudden crisis or disaster affecting parts of, or the whole country.

These core resources, as we saw with the UNICEF example, also finance important accountability mechanisms such as audits, evaluations, financial management and tracking results and outcomes of the effects of the support.

These accountability mechanisms tend to attract interest and support from all political camps, as all have an interest in understanding how their taxpayers' money is being spent in the most efficient way. It can also be argued that without the financing of such vital oversight functions, the risks of corruption, waste, ineffective programming, unclear or vague results and less value for money will increase multi-fold with the highest certainty.

## Endnotes

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- 12 See note 7.
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