
Financing the United Nations

How the Next Secretary-General Can Reconnect Mandates, Resources, and Authority at the UN

Center on International Cooperation (CIC)
New York University

Thibault Camelli

Senior Program Officer, Promoting and Defending Multilateralism

Ronny Patz

UN Researcher, German Institute of Development and Sustainability (IDOS)

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**Center on
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and Sustainability

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About this series

This paper is one of five commissioned by the Center on International Cooperation (CIC) at New York University (NYU) to inform the development of a **practical reform roadmap for the next United Nations (UN) Secretary-General**.

The series is organized around **five governance challenges** the next UN Secretary-General will inherit: the financing of the Organization, delivery in the field, management and leadership, trust, and process overload. These challenges are not discrete institutional problems, but, to varying degrees, manifestations of a wider political crisis: weakening member state commitment to collective action, growing contestation over established norms and priorities, and a widening gap between the mandates given to the Organization and the political and financial support provided to deliver them. Each paper therefore sets out the problem, distinguishes what lies within the Secretary-General's authority from what requires intergovernmental agreement, and develops recommendations that can be implemented within existing political and legal frameworks. The analysis draws on sustained engagement with permanent missions and Secretariat officials in New York, and an expert consultation series convened with academics and think tanks across regions.

Together, the five papers aim to identify what is achievable, sequence it, and give member states and candidates for the office a **substantive basis for engagement** during the selection and transition period.

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About the Center on International Cooperation (CIC)

The Center on International Cooperation (CIC) is a nonprofit research center housed at New York University. For over three decades, CIC has been a leader in applied policy that links politics, security, justice, development, and humanitarian issues. CIC's mission is to strengthen cooperative approaches among national governments, international organizations, and the wider policy community to prevent crises and advance peace, justice, and inclusion. Learn more at cic.nyu.edu and @nyuCIC.

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Executive Summary

The [next Secretary-General](#) will inherit a United Nations (UN) whose **ambitions increasingly exceed the resources member states are willing to provide**. The immediate financing crisis is severe, but the deeper problem is structural: financing is moving away from collective support for shared institutions and towards fragmented, conditional, and donor-driven forms of funding, while mandates continue to expand. The result is a widening gap between what the UN is asked to do, what it can finance, and where authority over those resources sits. Managing the shortfall will therefore not be enough. The next Secretary-General will need to use the authority of the office to protect the institution's core capacities while building support among member states for changes only they can make.

Member states have changed one of the financial rules that compounded this. On June 30, 2026, the General Assembly [adopted a revised methodology for the return of budgetary credits](#), on a four-year trial basis. Member states keep their legal entitlement to credits, but credits arising from unspent balances are returned only where the corresponding cash was actually received, under the same rule for the regular budget, peacekeeping operations, and the international tribunals. The reform removes one recurring source of liquidity pressure. It does not change whether assessed contributions are paid.

The crisis is also difficult to resolve because **no single actor controls the system** as a whole. The Secretary-General has direct authority over the Secretariat and can influence coordination across the system, but does not control most funding flows or the political consensus needed for prioritization. Member states retain authority over assessments, financial rules, and voluntary funding arrangements, but increasingly operate through governing bodies that oversee a shrinking share of actual resources. As a result, reforms often fail because they target the technical symptoms of the crisis without addressing the political incentives that sustain it.

Three financing logics have [historically coexisted in the UN system](#): assessed contributions based on membership obligations, voluntary core funding based on trust in the institution, and earmarked funding tied to specific donor priorities. The first two are weakening, while the third now dominates much of the system. This shift has changed how financial authority operates in practice. The governing bodies of funds and programmes often oversee only a small share of the resources available to them,

while most earmarked funding flows through arrangements negotiated directly between donors and individual entities. In many cases, governing bodies formally approve priorities for a shrinking pool of core resources, while actual allocation decisions are increasingly shaped outside those structures through earmarking, single-donor trust funds, and bilateral funding relationships.

This helps explain **why many financing reforms produce limited results**. Reforms negotiated through formal intergovernmental processes often leave untouched the funding practices that shape most operational decisions in practice.

The paper organizes reform options according to **who actually has the authority to implement them**:

- Within the Secretariat, **the next Secretary-General** can retake political control of the budget process and build the proposal on realistic payment assumptions, define which core UN functions must be protected even under financial pressure, differentiate the governance of voluntary funding by institutional function, discipline the fundraising hierarchy, and refuse funding conditions that prevent the organization from implementing agreed mandates.
- Across the system, the office can use the [Chief Executives Board](#) to produce a consolidated picture of UN financing and create incentives and transparency that shape funding practices through influence rather than imposed standards.
- Only **member states** can act on the core drivers: payment discipline, the Article 19 question, the assessed-voluntary balance, and donor co-responsibility for fragmentation.

The paper closes with a series of practical next steps: first, establishing an honest diagnosis of the financing gap; second, changing how budgets are presented and negotiated; and, finally, building coalitions around payment discipline and funding reform. It also identifies seven practices the next Secretary-General should refuse to normalize, including across-the-board cuts that replace political prioritization and funding conditions that undermine multilaterally agreed mandates.

1. Introduction

United Nations (UN) financing is often treated as a technical domain: scales of assessment, liquidity ratios, cash flow projections, budget cycle rules. The [current crisis](#) has been managed largely in those terms. **Treating the crisis only as a technical problem obscures the political choices that produced it.** The system has become increasingly effective at managing scarcity without addressing the political conditions that create it.

The immediate drivers of the crisis are well known: [delayed assessed payments](#), growing dependence on [earmarked voluntary funding](#), and the continued expansion of mandates without matching resources. But these are symptoms of a deeper problem: **member states expect the UN to deliver more than they are willing to finance, while also limiting the organization's ability to prioritize and allocate resources strategically.** The gap has become operationally unsustainable.

The current situation is more difficult than previous financial crises for three reasons:

1. The largest contributor no longer provides the financial backbone of the system;
2. Earmarked and conditional funding now dominate UN financing relationships, displacing collective allocation as the organizing principle;
3. Mandate growth continues without any mechanism to link new obligations to resources.

Resolving the crisis requires stabilizing cash flow, but, more importantly, a **political conversation about what the UN system is for**, which of its functions member states collectively sustain, and what institutional honesty looks like when mandates and resources diverge.

This paper draws on a series of consultations held by NYU's Center on International Cooperation (CIC) in May 2026 with senior practitioners and analysts of UN financing, as well as [earlier CIC work on the liquidity crisis](#). It argues that no single actor can resolve the crisis and that reform **proposals are only useful when they clearly identify who has the authority to implement them.** Section 2 sets out the crisis as a governance problem. Section 3 organizes reform options according to which actors can actually take the relevant decisions. Section 4 identifies operational limits the next UN Secretary-General should refuse to normalize, outlines an implementation pathway, and sets out the leadership dilemmas the office will face.

2. Financing is a Governance Problem

The UN's financing problems are usually framed primarily as a lack of sufficient resources: arrears, liquidity shortages, declining contributions, and mandates that are not fully funded. The diagnosis is incomplete. The deeper problem is how the system is financed and the incentives that financing creates. [Assessed contributions, voluntary core funding, and earmarked funding](#) once performed different but complementary functions; as the first two have weakened and the third has expanded, the priorities agreed collectively by member states and the way resources are actually allocated have increasingly moved apart. The five sections below set out the diagnosis: three financing logics are pulling apart; financial authority increasingly operates through parallel channels; [dependence on a small number of contributors](#) has become a structural vulnerability; earmarking rewards fragmentation and weakens institutional discipline; and mandates continue to accumulate without an aggregate choice about the resources required to implement them.

2.1 Three Competing Logics of UN Financing

Three financing logics have coexisted in the UN system. They are now pulling apart.

The first is **assessed membership financing**. Membership carries financial obligations, and the right to participate in collective decision-making is linked to the obligation to contribute to its cost. Assessed contributions are legally due; the [scale of assessment](#) reflects an agreed, if contested, formula based on capacity to pay. UN peacekeeping makes this concrete: when the Security Council mandates a mission, assessed financing automatically activates, at scale, and with legal force. Assessed contributions provide predictable funding for functions that cannot depend on individual donor preferences. As their share of UN financing declines, so does the [UN's ability to implement mandates](#) in line with priorities agreed collectively by member states.

The second is **trust-based voluntary core funding**. Donors provide resources because they trust the organization to allocate them in the collective interest, without requiring approval for each operational decision. This logic was viable when core funding

represented a significant share of agency resources and donor confidence in institutional judgment and governance was sufficient to sustain it.

The third is **transactional earmarked financing**, treating the UN as a multilateral implementation mechanism for projects or to fill specific gaps left by other funding streams over time. Donors do not provide these resources to fund the organization as a collective institution but to direct it towards specific outputs that advance their national or bilateral priorities. The center of gravity shifts from multilateral decision-making to donor-defined project management. The UN's role becomes that of an agent rather than a principal, undermining or limiting multilaterally defined mandates. This logic originated as a practical response to rigidity in assessed budgets and has become dominant: roughly [70 percent of UN system funding is now voluntary](#), most of it earmarked. Its growth now undermines the first two rather than supplementing them.

However, simply treating assessed and voluntary core funding as inherently better is the wrong dichotomy and depends on the prioritization of (potentially) conflicting goals of multilateral funding. Some earmarked funding, such as large-scale, multi-year programs by a donor willing to adapt priorities to changing circumstances, may, in practice, be more flexible and more aligned with emerging collective mandates than assessed resources tied to specific posts that cannot be redeployed without cumbersome intergovernmental approval that may take multiple budget periods to emerge. **What matters for effective multilateralism is whether funding supports multilaterally agreed mandates** or turns the organization into an implementing channel for unilateral or minilateral preferences, in which a few donors dominate the programmatic reality of entire UN entities.

2.2 Two Parallel Channels of Authority

The UN financial system operates through two parallel channels of governance. The boards of funds and programmes typically control no more than 10 to 20 percent of general resources, while more than 70 percent of earmarked funding flows outside their immediate accountability mechanisms. Formal governance (the channel of resolutions, board decisions, and intergovernmental review) applies only to a shrinking share of resources and, at best, provides guidance for donor priorities. At the same time, **donors increasingly shape actual spending decisions directly** through earmarking, single-donor trust funds, and bilateral funding arrangements with individual agencies. Large-scale pooled funding mechanisms are among the few instruments capable of restoring more collective allocation logic while preserving donor flexibility.

This asymmetry explains why reform confined to formal governance produces limited results: a governing body can adopt a strategic plan without affecting how the bulk of an entity's resources are programmed. Member states with significant voluntary contributions exert disproportionate influence over priorities and implementation, while states more reliant on the system have limited capacity to shape outcomes. **Member states remain formally equal in governing bodies, but influence increasingly follows funding**, and as long as resource decisions are made outside those bodies, the gap widens.

A further shift has compounded the asymmetry. Major contributors increasingly seek to shape not only their own contributions but those of others. [Recent US demands](#) have tied peacekeeping payments to conditions on Chinese trust fund contributions and on the management of single-donor trust funds within the Executive Office of the Secretary-General. **Conditionality is no longer limited to how donors use their own contributions but also shapes how the wider system operates.**

The legitimacy stakes follow directly. Persistent dysfunction, uneven implementation, and perceptions of donor-driven selectivity risk encouraging member states to invest increasing diplomatic capital in **alternative venues where they believe they can exercise greater influence** over priorities, partnerships, and outcomes:

- **In Africa**, this dynamic is reflected in growing attention to frameworks such as the partnership between the Organisation of African, Caribbean and Pacific States (OACPS)and the European Union (EU)—the [OACPS–EU partnership](#)—and the Tokyo International Conference on African Development ([TICAD](#)), which provide additional channels for mobilizing resources, advancing regional priorities, and engaging external partners.
- **In Asia**, governments increasingly rely on [processes led by the Association of Southeast Asian Nations \(ASEAN\), the East Asia Summit, and other regional mechanisms](#) to coordinate positions and advance policy agendas that may be difficult to move through universal multilateral forums.
- **In Latin America and the Caribbean**, platforms such as the Community of Latin American and Caribbean States (CELAC), the Ibero-American Summits, and various subregional organizations provide opportunities for more direct political influence over agenda-setting and collective action.

As diplomatic investment shifts towards other forums, a growing share of coalition-building, resource mobilization, and political initiative may take place outside the UN system. The Organization would remain universal in membership, but less central to how states pursue many of their priorities.

2.3 Concentrated Contributor Dependence and the End of the Backstop

The scale of assessment allocates contributions according to economic capacity. In practice, the United States has consistently funded a quarter or more of the regular budget and has historically provided the largest single source of voluntary contributions to the development system. **The system functioned as long as the United States maintained a basic commitment to financing it.** Even during the 1980s, when the United States withheld contributions to the UN Educational, Scientific and Cultural Organization ([UNESCO](#)) and the International Labor Organization ([ILO](#)) over disagreements about their political direction, it continued to provide substantial voluntary funding that sustained the operational system; the UN Development Programme (UNDP) functioned then as a system-wide pool, distributing voluntary resources across entities whose assessed budgets faced political pressure.

The system can [no longer assume continued US financial support](#). The current withdrawal affects assessed and voluntary funding simultaneously. It is accompanied by an active challenge to the legitimacy of multilateral institutions, rather than a specific policy dispute about their activities, including by politicizing earmarking against collectively agreed mandates or other donors' interests. The system has **no real safeguard against the withdrawal of a major contributor**: the vulnerability once viewed as theoretical has now become an operational crisis.

Until mid-2026, the Organization's own financial rules amplified that exposure. Non-payment produced cash shortages. Cash shortages forced the Secretariat to hold back spending. Withheld spending produced unspent balances. Unspent balances were then returned to member states as credits against future assessments, including those whose non-payment had caused the underspend in the first place. Each cycle mechanically reduced the assessed base for the following year, resulting in a "[race to bankruptcy](#)."

On June 30, 2026, the General Assembly adopted a [revised credit-return methodology](#) (resolution 80/270) on a four-year trial basis. The reform preserves the legal position and changes the cash position. Credits continue to be calculated as the difference between the approved budget and actual expenditure, and member states' entitlement to them is unchanged; what changes is when they are returned. Credits arising from canceled prior-period commitments, higher-than-budgeted income, and unspent balances backed by cash received remain automatically returnable. The portion of unspent balances not backed by cash, which is the portion produced directly by non-payment, remains payable but is recorded in a memorandum account and held

until the corresponding assessment is received. Available cash credits are distributed among member states without arrears, while for member states in arrears the equivalent share is offset against those arrears. The same methodology applies to the regular budget, peacekeeping operations, and the international tribunals.

The reform corrects one mechanism that amplified the liquidity consequences of non-payment. It does not compensate for the missing contribution. Unpaid assessments remain legally due, and **the underlying exposure is unchanged**. The methodology was adopted for four years, which places a review and renewal decision within the next Secretary-General's mandate.

The “capacity-to-pay” principle retains normative weight, and any reform that appears to abandon it will face resistance from the majority of member states for whom it represents a legitimate claim. Reform must therefore maintain the principle while **building resilience against the concentrated dependence it has produced**.

Precedents show, however, that **financial constraint is not inevitable**: the Organization for Security and Co-operation in Europe (OSCE)—a consensus-based organization operating under conditions of deep geopolitical division—agreed within weeks in 2014 to finance a monitoring mission in Ukraine whose [budget approached the size of the organization's entire unified budget](#), drawing largely on assessed contributions. Political consensus, when it exists, can mobilize assessed and mandate-oriented voluntary resources at scale and speed. The UN's regular budget pathology is not inherent to multilateralism; it reflects specific choices about how mandates and money are linked.

2.4 The Earmarking Spiral & the “No Refusal” Culture

Earmarking is not uniformly damaging if it helps maintain a multilaterally defined and aligned resource matrix. UN entities must balance policy priorities with geographic coverage. Different donors fund different parts of that mandate according to their own interests and preferences. In the best case, UN leadership and governing bodies coordinate these contributions so that mandates are covered in a balanced way. In the worst case, however, earmarking can mean resources clustered in donor-preferred parts of the matrix, overfunding a few mandates, or earmarking outside the multilaterally agreed mandate space while major gaps persist, notably where individual donors see little interest or visibility.

Three dysfunctions follow:

1. **Mandate distortion:** resources concentrate in areas of high donor interest, leaving systematic gaps elsewhere. Agencies that depend heavily on project fundraising face strong incentives to follow the money rather than multilaterally agreed mandates.
2. **Administrative overload:** transaction costs for small-scale contributions (design, negotiation, reporting, auditing, compliance) are largely fixed, proportionally far higher for small contributions than for large ones, and borne by both receiving organizations and donor administrations.
3. **Negative conditionality:** the most damaging form of earmarking conditions funding not only on what the contribution will support but on what the organization must not do elsewhere. This can take technical forms (incompatible reporting requirements, special procurement or vetting rules) or explicitly political ones (withdrawal of funding if the organization supports an activity, population, or policy area the donor opposes). If normalized, the multilateral mandate becomes unenforceable because no funding remains to implement it without restriction.

A related pathology compounds the earmarking spiral: the UN system has developed a “no refusal” culture towards funding, regardless of conditions attached. Acceptance has become the default; **declining a contribution is treated as institutional failure rather than as the exercise of judgment**. The costs are unequally distributed across the system. The World Intellectual Property Organization (WIPO), funded primarily through user fees, is much less exposed to these pressures; the UN Office of the High Commissioner for Human Rights ([OHCHR](#)), [whose reliance on voluntary funding](#) is well documented, is acutely exposed.

Earmarking thus carries different risks for operational delivery than for normative, oversight, and standard-setting functions, where donor influence directly affects neutrality. A uniform posture towards funding ignores this asymmetry and produces uneven institutional damage.

2.5 Mandate–Resource Decoupling and Micro-Politicization

The UN regular budget is, in practice, an accumulation of micro-mandates negotiated individually without systematic reference to aggregate resource levels or implementation capacity. The negotiating culture of the Fifth Committee rewards

those who extract small gains for specific national interests (such as defending mid-level posts held by their nationals) while **maintaining broad agreement on the status quo of the aggregate**. Large mandates (e.g., major peace operations or special political missions) trigger explicit debate because their financial consequences are visible. Micro-mandates do not. Each new report, office, intergovernmental process, international day, or coordination task appears modest when adopted, politically attractive to its sponsor, and financially marginal in isolation. The cumulative burden is substantial, but no single decision forces member states to confront the aggregate cost. **UN budgeting does not prioritize; it accumulates mandates, expecting ever more with less funding.**

As a result, managers have to decide, implicitly and often invisibly, which mandates are implemented, delayed, narrowed, or absorbed within existing resources. Member states retain the appearance of full ambition; **the Secretariat absorbs the cost of incoherence and is accused of underperformance** for gaps that reflect political rather than managerial failures. The companion paper in this series on process overload traces the same asymmetry through the procedural machinery established by [Resolution 80/251](#).

The advisory and oversight bodies responsible for reviewing the UN budget reinforce this dynamic. The Committee for Programme and Coordination ([CPC](#)) reviews the programmatic aspects of budget proposals, while the Advisory Committee on Administrative and Budgetary Questions ([ACABQ](#)) reviews their resource and administrative implications before negotiations move to the Fifth Committee.

- Over time, the **CPC has largely avoided engaging the political question of prioritization**, treating it as a prerogative of member states. Its work increasingly focuses instead on procedural and drafting disputes over programme plan formulations and documentation requirements. The result is intense scrutiny of textual detail while the broader gap between mandates and resources remains largely untouched.
- ACABQ was created in 1946 to provide technical budget expertise to a General Assembly that met only part of the year and lacked the permanent diplomatic capacity to scrutinize budget documents in detail. That institutional context has changed entirely: the Fifth Committee now meets throughout most of the year, missions have direct access to budget information, and the Secretariat produces extensive implementation reporting. Yet **ACABQ's scrutiny has increasingly focused on individual posts, vacancy rates, and objects of expenditure**—precisely the level at which the broader gap between institutional purpose and available resources is least visible.

One solution would be to abolish ACABQ and CPC and leave the political negotiations to the Fifth Committee as the main budget committee, with programmatic input by the other committees of the General Assembly, similar to how most national budget processes and other international budget procedures operate. However, **neither body requires formal abolition to function differently.** A Secretary-General who presents budget proposals in a format that invites strategic engagement, programmatic prioritization by CPC, and sound budgetary management oversight by ACABQ would improve UN budgeting. It could help distinguish core and backbone functions from marginal mandates, help manage mandate growth under limited resources, consider deferred activities, propose consolidation or termination, and suggest financial management and resource mobilization that achieves the UN's core mandates in policy and geography. The Fifth Committee could invite the new Secretary-General to provide documentation in this regard and instruct the two committees to provide such macro-guidance, which could change the terms on which these bodies engage. Sustained presentation at the strategic level, potentially backed by assembly support, shifts practical working methods over time.

3. Reform Directions

No single actor or intergovernmental body governs UN system financing as a whole. **Reform must work through all actors within their respective competences**, but ideally better coordinated and within common multilateral frameworks. This section develops three reform families: what the Secretary-General can do within the Secretariat under his own legal authority; what the Secretary-General's office can shape across the system through political and administrative influence rather than authority; and what only member states can decide, individually and collectively. Recommendations that fail to make this distinction collapse under the political incentives that produced the current crisis.

3.1 Within the Legal Authority of the Secretary-General

Recover authorship of the budget

Current budget practice is incremental: while the world changes drastically, it assumes full compliance with assessed contributions when this is not the reality, and ignores political trade-offs that need renegotiating in today's world. The next Secretary-General should **treat the budget submission as a political act and increase the budgetary process's political salience**. That means building the first proposal on the realistic assumption that key contributors will not meet their obligations in full and that many mandates will be implemented only partially within limited resources. Budgeting as if all assessments will always arrive maintains a politically costly fiction: it conceals the gap between what member states have mandated and what the Secretariat can deliver, shifts the burden of prioritization, and prevents the institution from making the cost of non-payment explicit. This requires a hard truth about resources and political realities. The first budget cycle for 2028 is the moment to act, because it will set the tone for future budget negotiations.

Define and protect a minimum viable backbone

Across-the-board reductions appear neutral because they distribute cost uniformly. They also minimize the need for political renegotiation among member states because

everyone can pretend their priorities are maintained. In practice, this **hollows out the most capacity-intensive functions**—field coordination, crisis response, normative development—while preserving the most visible ones. The alternative requires defining the minimum viable institutional backbone: the legal, normative, field-coordination, crisis-response, and country-presence capacities that cannot be replicated by bilateral actors and that lose value catastrophically below a density threshold. Below that threshold, **capacity shrinks and disappears, and rebuilding it requires resources far exceeding what was saved**. A Secretary-General who commissions this analysis at the outset, rather than waiting for the crisis to force the choice when it is too late, is better positioned to resist uniform cuts and to anchor budget discussions in institutional purpose.

Differentiate the governance of voluntary funding by function

Earmarking will remain dominant; the issue is how it is governed, not whether it can be eliminated. The risks differ across functions.

- **For operational activities**, earmarking can be accommodated when resources are directed within multilaterally agreed strategic frameworks. Pooled and multi-partner funding arrangements are particularly valuable in this regard because they allow donors to support collective priorities while preserving operational flexibility.
- **For normative, oversight, and standard-setting functions**, concentrated donor influence can undermine the credibility on which those functions depend. A human rights office reliant on a single donor's voluntary support cannot easily scrutinize that donor's conduct, and a standard-setting body whose agenda follows its funders risks weakening the authority of its standards.

Appropriate safeguards include minimum-funder thresholds for sensitive functions, requirements that single-donor trust funds support previously agreed multilateral mandates, common reporting standards, and protected baselines financed through assessed or core resources. These arrangements should be calibrated to the distinct credibility requirements of different multilateral functions.

Reduce competition and duplication in how UN entities approach donors

Bilateralization of donor engagement is sustained by and reinforces **internal competition between entities**. The absence of clear sign-off on fundraising at strategic level means projects are small, and organization-level priorities may not drive funding.

Individual UN agencies negotiate directly with capitals, often with different ministries and with frequently substantially overlapping agendas. The system-wide costs—duplicated programmes, inflated transaction costs, donor confusion, dependence on personal relationships with donors rather than on institutional judgment—are borne by none of them individually, but the **resulting fragmentation and overlap are costly**. Clearer hierarchical sign-off on major fundraising agreements, common reporting formats across entities, and coordination of donor outreach through senior leadership and across UN entities, especially at the country level, would not eliminate competition but would raise the cost of practices that fragment system resources for marginal entity-level gain.

Define principles for acceptance

The “no refusal” posture has costs that compound over time. The next Secretary-General should define principles for acceptance, including explicit limits on conditionality in normative areas and on contributions whose transaction costs outweigh their operational value. Predictability about what the organization will and will not accept is itself a coordination instrument: it reduces internal competition for the same conditional funding and gives senior leadership a defensible position when declining contributions that compromise neutrality.

3.2 What the Secretary-General Can Shape Across the System

The Secretary-General also acts beyond the Secretariat, though through influence rather than direct authority. **The absence of a consolidated view of UN system financing is a structural obstacle to reform**: each part of the system manages its own crisis in isolation because no shared picture exists of where resources are flowing, where they are not, and where duplication is producing waste.

The Secretary-General can use the [Chief Executives Board](#) and related coordination mechanisms to produce an annual system-wide financing outlook covering funding trends, underfunded mandates, backbone risks, and cross-entity exposure. This requires **shared diagnostic capacity and political signaling of needs and gaps across the entire UN system**. The outlook would make duplication, gaps, and inconsistencies visible across entities and provide a common evidence base for greater alignment of voluntary funding.

The Secretary-General's office can also **create incentives and transparency that shape funding practices**, even without trying to impose standards on autonomous UN entities. Common reporting templates, shared earmarking thresholds, and harmonized donor engagement protocols can be promoted through the CEB and progressively adopted as they reduce burden on the entities that adopt them. The instrument is influence, supported by shared evidence.

3.3 What Requires Member State Decision

The **core drivers of the crisis nevertheless remain in the hands of member states, individually and collectively**. No managerial reform can substitute for decisions on burden-sharing, payment discipline, and the balance between assessed and voluntary contributions. Member states can collectively adopt integrated budgets, but when only 20–25 percent of those budgets are assured through assessed and core voluntary funding, aligning the remaining 75–80 percent with jointly agreed priorities requires sustained collective coordination.

The most **immediate test of political responsibility may come through Article 19 of the Charter**. The United States is approaching the [threshold at which it could lose its General Assembly vote](#). A precedent exists: in 2000, member states agreed to reduce US assessment rates in exchange for payment of arrears, allowing the United States to retain its vote. Whether the current administration would engage on that basis remains uncertain, but the mechanism exists, and member states should anticipate the moment rather than react only once the threshold is reached.

The revised credit-return methodology shows that member states can agree changes to financial rules where the problem is bounded. It addressed the management of the liquidity consequences of non-payment rather than the structural questions set out here, and its four-year trial period will require a review and a renewal decision during the next Secretary-General's mandate.

The relationship between financial contributions and governance influence requires direct attention. As long as **resource decisions are made outside governing bodies**, formal equality in those bodies will continue to diverge from actual influence. Closing this gap requires action on assessments, budget negotiations, and the functioning of governing bodies, supported by coalitions willing to absorb the political costs of revisiting current practice.

Donor coalitions also have a distinct role. Donor co-responsibility for fragmentation has increasingly been acknowledged in recent UN80 Global Group discussions; translating that acknowledgment into commitment is the next step. Contributors could commit to limiting excessive earmarking, raising minimum funder thresholds for sensitive functions, and harmonizing reporting requirements. These commitments would not be legally binding, but they could create expectations, reduce disruptive funding practices, and provide political cover for agencies that decline conditional funding incompatible with their mandate.

The political base for these reforms is broader than the small group of major contributors usually invoked. Three coalitions are realistic.

1. First, a cross-regional group of states experiencing the operational **consequences of underfunding** most directly: significant contributors of peacekeeping personnel, host states of UN field operations, and middle-income states whose development priorities depend on UN coordination capacity.
2. Second, a contributor coalition focused on **predictability and burden-sharing**: Nordic and like-minded states historically committed to multilateral financing, joined by emerging contributors interested in legitimizing their growing role through the assessed system.
3. Third, smaller delegations across regional groups whose effective influence is reduced by micro-level budget negotiation and who have a structural interest in **shifting budget governance toward strategic engagement**. None of these coalitions is sufficient on its own, and they are not yet organized around a common financing agenda.

Reform direction	Within the Secretary-General's authority	Requires member state decision
Budget credibility	Present budgets based on realistic payment assumptions and explicit trade-offs.	Accept strategic prioritization rather than incremental budget expansion.
Core institutional functions	Identify and protect essential UN capacities under financial pressure.	Agree on predictable financing for backbone functions.

Earmarking	Define limits on conditional funding and harmonize reporting standards.	Reduce excessive earmarking and support pooled funding.
Mandates and resources	Make the cost of new mandates explicit.	Accept that new mandates require new resources or reprioritization.
System-wide financial coordination	Use the CEB to identify funding gaps and duplication across the system.	Create political space for collective review of system-wide financing trends.

4. Sequencing

The reforms above differ in who can act and how quickly they can move. Those within the Secretary-General's authority can begin at once; those requiring member-state decisions depend on coalitions that must be built around payment discipline, mandate discipline, and funding reform. Sequencing matters because financial pressure is already forcing choices about what the UN can sustain, whether or not those choices are made explicitly. The task is therefore to establish the financing reality early, use the first budget cycle to make the trade-offs visible, and build the political support needed to change the rules and practices the Secretary-General does not control.

4.1 Operational Limits the Next Secretary-General Should Refuse to Normalize

The following operational limits identify practices the next Secretary-General should refuse to normalize. Crossing them causes damage that is either irreversible or disproportionately costly to repair.

- **Funding conditioned** on the organization not carrying out mandates adopted by competent intergovernmental bodies should not be accepted. Negative conditionality is incompatible with the multilateral premise and sets a precedent that other donors will exploit.
- **Chronic non-payment** should not be normalized as a routine instrument of political leverage. Arrears management mechanisms exist for temporary disruptions; treating structural non-payment as a permanent feature forecloses the reform conversation the crisis requires.
- **New mandates** should not be adopted without identifying whether implementation requires new resources, reprioritization, or the acknowledged non-implementation of lower-priority activities. Mandates adopted without resource consequences are political declarations whose operational costs are passed to the Secretariat and eventually to beneficiaries.

- **Across-the-board reductions** should not substitute for political prioritization. Uniform cuts preserve the mandate inventory while reducing the capacity to implement it.
- **Contributions** whose transaction, reporting, and compliance costs outweigh their operational value should not be accepted. The administrative burden of small-scale earmarked funding is borne disproportionately by entities least able to absorb it.
- **Backbone capacities** should not be hollowed out in ways that make future scaling impossible or disproportionately costly. The tipping point between reduced capacity and lost capacity is difficult to identify in advance and easy to miss under sustained pressure.
- **Field, headquarters, or programme footprints** should not be preserved solely because they reflect historical presence. The willingness to reconfigure is a condition of the UN's credibility, not a threat to its universality.

4.2. Political sequencing and implementation pathway

Financing reform must be sequenced as a political process, not presented as a catalog of parallel reforms.

Transition and first 100 days (three months): establish the diagnosis. Commission a rapid system-wide financing risk review covering assessed liquidity, voluntary funding exposure, earmarking patterns, backbone functions, and mandate-resource gaps. The Secretary-General's first budget proposal must be grounded in an honest account of what the system can deliver with available resources. The realistic timeline is that the Secretary-General may not even have 100 days to work on the first budget proposal, especially if it is disruptive. This needs to be achieved within the first two months, which requires someone who can work on this from day one.

First year: change the terms of budget presentation. Present the programme budget in a format that distinguishes core functions, mandated growth, deferred activities, and proposals for consolidation or termination. The objective is to move from incremental defense of the existing budget to a structured discussion of institutional priorities. Resistance from delegations accustomed to micro-level engagement is the signal that the approach is working.

First eighteen months: build the coalition. Convene the cross-regional group identified above around a small set of shared commitments: payment discipline, mandate discipline, and protection of backbone functions. The coalition should be built around operational interests, not ideological alignment.

Years one to two: negotiate the package. Develop a financing package that combines payment incentives, more realistic liquidity buffers, clearer treatment of arrears, implementation and review of the revised credit-return methodology, pooled funding commitments at scale, donor harmonization principles, and agreement on the cost of new mandates. The package should be negotiated as a whole rather than as a series of isolated technical adjustments. Piecemeal reform is politically easier and strategically insufficient.

First 1,000 days (three years): institutionalize system-wide coordination. Use the CEB to produce a recurrent system-wide financial outlook: a consolidated picture of assessed and voluntary funding trends, underfunded mandates, backbone risks, and cross-entity trade-offs. This requires not a new centralized budget authority but a shared picture of system-wide financial risk whose absence currently allows each part of the system to manage its own crisis in isolation.

4.3. Leadership implications for the next Secretary-General

Two dilemmas will define the leadership challenge.

First, **sustained financial pressure risks turning the role into a permanent crisis-management role.** A Secretary-General facing chronic underfunding will need to spend significant political capital to mobilize resources, manage shortfalls, and negotiate with major contributors. The danger is that leadership becomes reactive: a continuous effort to fill individual funding gaps through emergency appeals, bilateral negotiations, and temporary financial arrangements that stabilize operations without addressing the structural causes of the crisis. A Secretary-General aware of this risk will devote political capital to securing more predictable financing, strengthening payment discipline, and building support for the institutional changes needed to reduce recurring crises.

Second, the next Secretary-General will have to choose between distributing cuts evenly across the system and protecting core capacities through explicit prioritization. Across-the-board cuts appear politically neutral because they distribute reductions

uniformly. In practice, however, they hollow out the most capacity-intensive functions (field coordination, crisis response, normative work, and long-term institutional expertise), while preserving the most visible activities. The alternative is to identify clearly which core capacities the UN system must preserve even under sustained financial pressure. These include functions that bilateral actors cannot easily replace and that lose effectiveness rapidly once staffing and institutional presence fall below a certain level.

Ultimately, the leadership challenge is not simply to manage scarcity, but to decide what kind of institution the UN remains under sustained financial constraint. **A Secretary-General consumed by filling individual funding gaps risks becoming a manager of institutional decline rather than an executive leader capable of strategically shaping the system.** Conversely, a Secretary-General willing to use political capital to negotiate broader financing arrangements, defend core institutional functions, and impose clearer prioritization can still influence the terms on which contraction occurs. Under sustained financial pressure, financing decisions become decisions about institutional identity, political authority, and the organization's future role.

The leadership challenge is therefore to make choices under sustained financial pressure rather than manage each shortfall as it arises. A Secretary-General focused on filling individual funding gaps may preserve activities in the short term, while allowing core UN capacities to weaken over time and leaving the underlying financing problems unresolved. The alternative is to use political capital to defend core capacities, negotiate more predictable financing, and make explicit the choices that financial pressure would otherwise impose by default.

5. Conclusion

The **UN financing crisis cannot be fixed by comprehensive reform** because no single actor governs the system's overall funding. Reform has to work through all actors within their respective competences: the Secretary-General has authority over the Secretariat and influence across the system; member states have power within their governing bodies; and donor coalitions can shape contributor behavior through voluntary commitments.

The next Secretary-General will not resolve the political drivers of the crisis. The role is narrower and harder: to manage scarcity, impose internal discipline, use budgeting and coordination strategically, and support coalitions of member states capable of acting where the office cannot. A system funded as the current one is not a multilateral system in any meaningful sense. It is a set of parallel delivery platforms that share a flag.

Financing is a governance choice, not a technical inevitability, and the relationship between political ambition, financing discipline, and institutional viability is the question on which the credibility of the next mandate will be judged.