

---

**Executive Committee of the  
High Commissioner's Programme**

Distr.: Restricted  
10 June 2025

Original: English and French

**Standing Committee**  
**Ninety-third meeting**

---

**Review of the budget structure and management  
efficiencies**

*Summary*

This paper presents the outcomes of a review of the budget structure of the Office of the High Commissioner for Refugees (UNHCR) and its transition to an annual budget cycle aligned with the calendar year, initiated in 2022 following a decision by the Executive Committee at its seventy-first plenary session. As part of that decision, a review was requested to assess the impact of these changes on the Office's ability to deliver on its mandate with any necessary revisions to be presented no later than 2025. While acknowledging areas of improvements, this paper highlights how the revised budget structure and cycle have contributed to management efficiencies. Based on the findings of the review and considering the rapidly evolving humanitarian and funding landscape, UNHCR recommends maintaining the current budget structure and annual budget period for the time being. A subsequent review of the budget structure and period is proposed in the coming years, to ensure continued alignment with evolving organizational priorities, and reporting requirements.

## I. Introduction: Background and methodology of the review

1. In 2020, the Executive Committee endorsed initiatives of the Office of the High Commissioner for Refugees (UNHCR) to transform its capacity to deliver on its mandate and report on results. Central to this transformation was the transition to multi-year and multi-partner planning at the country level, in line with the objectives of the Global Compact on Refugees.<sup>1</sup>
2. A new global results framework, aligned with the UNHCR Strategic Directions for 2022-2026, was introduced to reinforce the linkage between resources and impact. This framework strengthens the focus and presentation of the programme of work and budget of UNHCR on the impact, outcomes and outputs achieved. In this context, the previous pillar structure was replaced with target population groups in the presentation of the budget. To enable this transition, UNHCR deployed a comprehensive planning, budgeting, monitoring and reporting approach and system (COMPASS), supported by capacity-building efforts, technical assistance and corresponding revisions to relevant policies and procedures.
3. When the operations planning moved from annual planning to multi-year planning, there was consideration that the UNHCR budget and programme of work was presented as a biennial budget, in accordance with the financial rules of UNHCR at the time. The introduction of the new planning and budgeting approach required two changes to the financial rules for voluntary funds administered by the High Commissioner for Refugees. First, the basis of the budget structure was changed to four impact areas – protect, respond, empower and solve – to reinforce a results-based focus.<sup>2</sup> Second, to introduce the concept of a budget period, subject to approval by the Executive Committee in place of the biennial budget.<sup>3</sup>
4. The Executive Committee considered and endorsed the proposed revision of the financial rules during its seventy-first plenary session in October 2020 and requested the High Commissioner to promulgate the revised financial rules.<sup>4</sup> This endorsement is reflected in its decision in the report of the seventy-first plenary session of the Executive Committee of the High Commissioner's Programme.<sup>5</sup> The new rules replaced the financial rules contained in A/AC.96/503/Rev.10, with effect from 1 January 2022. In the same session, the Executive Committee approved an annual budget period corresponding to the calendar year starting with the budget for 2022. The Executive Committee also requested a review of the impact of these changes on the ability of UNHCR to deliver on its mandate, with any necessary revisions to be presented to the Executive Committee no later than 2025, with preliminary reviews to be undertaken as needed. A similar recommendation was issued by the United Nations Board of Auditors in its audit report A/76/5/Add.6 for the 2020 financial year.<sup>6</sup>
5. Since 2021, UNHCR has implemented strategic, multi-year planning at the country-level, in alignment with the new budget structure. At the organizational level, the annual programme of work and budget has been presented each year in accordance with the new structure and defined budget period. The 2022 annual programme of work and budget was approved by the Executive Committee in October 2021, followed by the approval of the annual programmes of work and budgets for 2023, 2024 and 2025 in October 2022, 2023 and 2024 respectively.<sup>7</sup> In response to feedback from Member States, modifications have been made to the presentation, notably on expanding core indicators to output and enabling areas.

---

<sup>1</sup> See [A/RES/71/1](#) the New York Declaration for Refugees and Migrants.

<sup>2</sup> See [EC/71/SC/CRP.22](#), 26 August 2020. The four impact areas are: Impact area 1: Attaining favorable protection environments; Impact area 2: Realizing rights in safe environment; Impact area 3: Empowering communities and achieving gender Equality; Impact area 4: Securing Solutions

<sup>3</sup> See [A/AC.96/503/Rev.11](#) Article 2, clause 2.2. “For the purpose of allocating financial resources against the Programme Budget, the budget period shall be agreed with the Executive Committee.”

<sup>4</sup> See [A/AC.96/503/Rev.11](#).

<sup>5</sup> See [A/AC.96/1209](#).

<sup>6</sup> See [A/76/5/Add.6](#) and Report of the Board of Auditors, para. 89

<sup>7</sup> See [A/AC.96/1220](#) approval of 2022 Annual Programme Budget ; [A/77/12/Add.1](#), approval of 2023 Annual Programme Budget, [A/78/12/Add.1](#), approval of 2024 Annual Programme Budget and [A/79/12/Add.1](#) approval of 2025 Annual Programme budget.

6. This paper has been informed by the views of the Member States gathered during various consultations, including an informal consultative meeting held in May 2025. Furthermore, UNHCR has undertaken continuous internal analysis and review of the changes implemented, soliciting feedback from UNHCR colleagues across operations, divisions and entities. Additionally, observations and advice from various bodies such as the United Nations Board of Auditors and other relevant entities have been duly taken into account in the conduct of this review.

7. In the course of developing and implementing the four consecutive annual programmes of work and budgets (2022-2025), UNHCR has observed that the changes initiated in 2020 and implemented from 2022 – most notably the introduction of the new budget structure and a 12-month budget period – have resulted in improvements, particularly in terms of management efficiencies, when compared to its previous iteration. Nonetheless, the internal review of annual- versus multi-year budget periods has identified potential advantages associated with a multi-year budget period, which merit careful consideration in light of possible limitations. UNHCR therefore recommends that the continued application of the current improved budget structure and annual budget for 2026, while undertaking further analysis in the coming years to develop a longer-term recommendation for consideration. This present paper outlines the findings and rationale underpinning this position.

## **II. Review and analysis of the budget structure and budget period**

### **A. Budget structure**

8. Member States have broadly recognized the advantages of the new budget structure, noting its clearer, more results-oriented presentation that reflects longer-term protection and solution strategies, while enhancing greater transparency in the utilization of UNHCR resources. Reporting has improved since the implementation of COMPASS, though there is a need to further refine the indicators and reporting approaches, which continue to be enhanced.<sup>8</sup> The current budget structure aligns with the Global Compact on Refugees and supports UNHCR reporting on the sustainable development goals. At the eighty-first meeting of the Standing Committee in July 2021, Member States welcomed the new results-based management approach of UNHCR. This was further supported by statements from Member States during the eighty-second meeting of the Standing Committee in September 2021, where delegations valued the new format of the annual budget and its link to the results framework and sustainable development goals. At the ninetieth meeting of the Standing Committee in July 2024, the web-based 2023 Global Report was commended for its readability, analytical depth, comprehensive executive summary and downloadable performance indicators. Member States appreciated the data on multi-year trends and detailed expenditure by impact area, noting that the added context improved transparency and accountability. The annual programme budget for 2025 submitted to the Standing Committee for examination during its ninety-first meeting in September 2024 was recognized as a strong, outcome-oriented, result-based document.

9. Similar observations were noted by the Multilateral Organization Performance Assessment Network in their assessment of the performance of UNHCR released in February 2024.<sup>9</sup> The report found that the COMPASS framework and new budget structure clearly combined multi-year results-based planning with a reporting framework to capture core and flexible, context-specific indicators at output, outcome and impact levels. The report also emphasized the need for greater clarity in resource allocation, stronger application of theories

---

<sup>8</sup> See the Report of the Multilateral Organization Performance Assessment Network (MOPAN) dated 9 February 2024 and UNHCR Internal Audit Service (Office of Internal Oversight Service) report 2024/097 released in December 2024.

<sup>9</sup> See the Report of the Multilateral Organization Performance Assessment Network dated 9 February 2024.

of change, and more transparent communication of results to enhance the organization's results-based management processes. In addition, UNHCR reports regularly to the International Aid Transparency Initiative under the new budget structure. This reporting has been further enhanced, for example, through the inclusion of information on sustainable development goals.<sup>10</sup>

10. In conclusion, the analysis of the feedback received from UNHCR operations, Member States and partners shows that the introduction of the three-level results framework (impact, outcome, output) has been generally well-received. The feedback also suggests that the more streamlined budget structure supports greater transparency and accountability, with a clear focus on results in an evolving context. It strengthens the linkage between budget, expenditure and results, improving the capacity of UNHCR to communicate financial information clearly and to demonstrate operational results to stakeholders, donors and Member States with improved quality. The budget structure also improves resource allocation, enabling UNHCR to respond more effectively to evolving needs and priorities. The streamlined budget structure and the introduction of multi-year planning at the country level generates time savings, as processes for planning and approval are more efficient than in the past. However, the significant changes make precise comparisons difficult. As indicated above, Member States commended the 2023 Global Report, which was released in 2024. Efforts have been made to improve the communication of results to Member States at regular meetings of the Standing Committee. The new budget structure is more fit for purpose to achieve the objectives of the Global Compact for Refugees. The Global Results Framework of UNHCR and some core indicators are aligned with the indicator frameworks of both the Global Compact on Refugees and the sustainable development goals, reflecting key areas of the work of UNHCR towards the rights of forcibly displaced and stateless persons and their link to the 2030 Agenda for Sustainable Development.<sup>11</sup>

11. To enhance this budget structure and generate more management efficiencies, UNHCR continues improving the data and information available to report on its results. This covers, among other areas: enhancing the functionality of COMPASS while ensuring the quality of available data and reporting on results; better use of the performance framework as a managerial tool for the organization; and refining the outcome and output indicators under each impact area, so that they capture the impact of interventions on the forcibly displaced.<sup>12</sup> Regular dialogue with Member States will continue to provide UNHCR with valuable inputs to further improve its reporting.

## **B. Budget period**

12. For 2022 and subsequent years, UNHCR presented to the Executive Committee a budget prepared based on an annual budget period. The annual budget period allows for agility and flexibility, enhancing responsiveness and enabling the organization to rapidly adjust to changing environments, needs and priorities. It ensures more effective allocation of resources, including for emergency responses and shifting priorities, leading to a more efficient use of funds directed to the most impactful areas.<sup>13</sup> The annual cycle also supports active oversight and review by the Executive Committee and Standing Committees of budget shifts in rapidly changing contexts. Additionally, it provides country operations with the flexibility needed to align with and adjust to national planning processes. The current annual programme budget period is also aligned with the regular budget cycle of the United Nations and, following a trial phase, the General Assembly has requested the Secretary-General to continue submitting the programme budget according to the annual cycle effective from

<sup>10</sup> UNHCR continues to benefit from a positive rating from the International Aid Transparency Initiative (IATI), including in consideration of timeliness of its data. UNHCR is among the top 10 organizations publishing in IATI (over more than 1,700 publishers) with a score of 93 per cent. Available at <https://dashboard.iatistandard.org/publishing-statistics/>.

<sup>11</sup> See A/AC.96/1213/Rev.1 para. 61, table I.17.

<sup>12</sup> See A/79/5/Add.6, para. 241.

<sup>13</sup> In 2022: UNHCR responded to 52 emergencies in 32 countries; in 2023, UNHCR responded to 43 emergencies in 29 countries; and in 2024 to 43 emergencies in 26 countries. In 2025 to date, UNHCR responded to 17 emergencies in 15 countries.

2023.<sup>14</sup> While this approach enhances strategic and operations coherence, it also increases the frequency of budget preparation and reporting, which entail some additional efforts from both UNHCR and governing bodies.

13. Concurrently, UNHCR has been exploring the advantages of a multi-year budgeting approach compared to the 12-month budgeting period. Multi-year budgeting typically offers greater predictability, improves collaboration with partners, aligns more closely with UNHCR strategic objectives, and supports the multi-year strategic planning by better integrating financial and strategic planning. A multi-year budget period should, in the longer term, support strategic coherence and better align with the approach toward sustainable responses, which call for UNHCR to work with governments, development actors, the private sector and other partners to promote refugees' self-reliance and include them in national systems. A multi-year budget could also reduce the administrative burden on both UNHCR staff members and the Executive Committee by decreasing the frequency of budget preparation, review and approval, thereby contributing to management efficiencies. Additionally, it may open up greater opportunities for securing multi-year funding and improving impact reporting. To inform future proposals, UNHCR will continue to study the budget periods and related practices of funds and programmes of comparable United Nations agencies, with a view to identifying both opportunities and challenges.<sup>15</sup>

14. While UNHCR recognizes that multi-year budgeting could present some advantages, it also acknowledges that it introduces challenges compared to an annual budgeting cycle. One challenge is the difficulty of accurately forecasting operational needs and budget costing over an extended period, particularly in a volatile humanitarian environment marked by sudden and complex new emergencies. In a very fluid context, a multi-year budget may also reduce flexibility, as commitments made early on may limit the organization's ability to reallocate resources in response to emerging crises. Such concerns could be allayed with possible mitigation measures, such as expanding the operational reserve, creating a revolving emergency facility backed by expanded emergency reserve pledges, and increasing the working capital fund. Additionally, developing and managing multi-year budgets would require changes in policies as well as systems for which UNHCR will conduct a further analysis to understand the potential implications. Should UNHCR transition to multi-year budgeting, it would be important to maintain the necessary balance between the benefits of long-term planning while maintaining operational agility.

### III. Conclusion and recommendations

15. Based on the findings of this review; the context of a rapidly changing humanitarian environment (including a shifting funding environment); and considering that an annual budget period facilitates the agility of the organization and effective responses to a rapidly evolving context; UNHCR currently recommends, in accordance with its financial rule 103.1 "for the purpose of allocating financial resources against the UNHCR programme budget, the budget period shall be agreed with the Executive Committee," to maintain the current budget structure and the period of 12 months.<sup>16</sup> A future review of both the budgetary structure and period may be proposed in the coming years to ensure alignment with evolving organizational priorities and reporting requirements. In the meantime, UNHCR will continue assessing and exploring the potential implications, including the costs and benefits, of transitioning to a longer budget period.

<sup>14</sup> See [A/RES/77/267](#) para. 3 and ACABQ report [A/77/7/Add.20](#).

<sup>15</sup> See [JIU/REP/2023/3 \(Part I\)](#) and [JIU/REP/2024/3 \(Part II\)](#) While there is a diversity of budget period and cycle across the United Nations depending on various factors, the Joint Inspection Unit in their report para. 47 "recognize[s] the usefulness of annual budgeting for certain types of activities (e.g. humanitarian assistance) and for relatively frequently changing mandates (e.g. in many peacekeeping operations), the Inspectors are of the view that, for longer-term mandates and for diverse functions consolidated in one document (such as the United Nations programme budget), a biennial budget is more appropriate than an annual one."

<sup>16</sup> See [A/AC.96/503/Rev.12](#).