

# Review of the budget structure and management efficiencies

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Ms. Ritu Shroff  
Director  
Division of Strategic Planning and Results



# Background and methodology of the review



## Strategic transformation

- In 2020, UNHCR began a **major transformation to improve how it plans, delivers, and reports on results.**
- This included shifting to multi-year planning at the country level, aligned with the Global Compact on Refugees.



## New global results framework

- A **new framework** was introduced for 2022–2026, **linking resources to impacts.**
- UNHCR **launched COMPASS**, a system for planning, budgeting, monitoring, and reporting, supported by policy and procedural updates.



## Financial rule revisions

- Two major changes required:
  1. Budget structure based on four impact areas: **Protect, Respond, Empower, Solve.**
  2. Introduction of a concept of a budget period to be approved by Executive Committee in lieu of the biennial budget.

# Background and methodology of the review



## Executive Committee endorsement

- At its 71<sup>st</sup> session in October 2020, the Executive Committee approved the revised financial rules effective January 2022.
- It also endorsed the **annual budget period** starting with the 2022 budget.
- A review of the impact of these changes was requested, with revisions presented to the Executive Committee no later than 2025.



## Implementation and feedback

Since 2022, UNHCR has implemented **multi-year planning** and the new budget structure.

- Since 2022 Annual Programme Budget documents were approved for each following year.
- Adjustments made based on **Member States feedback**, especially around indicators.



## Inclusive review process incorporating

- Feedback from Member States.
- Feedback and lessons learned across UNHCR operations and divisions.
- Recommendations from oversight bodies like the United Nations Board of Auditors and UNHCR Internal Audit Service (Office of Internal Oversight Service, OIOS).
- Considerations from advisory bodies the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the Multilateral Organization Performance Assessment Network (MOPAN).
- Comparative research of other UN agencies' practices is informing this exploration.

# Review and analysis of the budget structure



## Broad support for the new budget structure

- **Member States** acknowledged the benefits of the revised budget structure supporting **long-term protection and solution strategies**.
- It aligns with the **Global Compact on Refugees** and supports reporting on the **Sustainable Development Goals**.



## Impact on management efficiencies

- **Improved resource allocation process** enables UNHCR to respond more effectively to evolving needs and priorities.
- Streamlined budget structure and introduction of multi-year planning resulting in **time-saving** with more efficient planning and approval processes.
- Better **communication of the results**.



## United Nations Internal Audit Service (OIOS)

**emphasised** the need for additional enhancements of COMPASS for it to effectively support the result-based management processes of the organization.



## UNHCR is actively working to:

- Enhance **COMPASS functionality** and **data quality**.
- Refine **indicators** to better reflect the impact on the people we work for.
- Use the **performance framework** more effectively as a **management tool**.
- Maintain **regular dialogue with Member States** to guide further refinements.

# Review and analysis of the budget period



## Considerations of annual budget period on management efficiencies

UNHCR's shift to an annual budget period supported:

- Agility and flexibility, allowing rapid adjustments to changing needs and priorities.
- Efficient resource allocation, especially in emergencies.
- Oversight and responsiveness, as the Executive and Standing Committees can review and approve budget shifts more frequently.
- The annual cycle also **aligns with the UN regular budget period**, which [the General Assembly endorsed](#) for continued use from 2023 onward.



## Strategic aspects and potential opportunities of multi-year budgeting

- Support strategic coherence and better align with the approach toward sustainable responses.
- May open up greater opportunities for securing multi-year funding.
- Reduce the administrative workload on both the Executive Committee and UNHCR staff.



## Considerations of multi-year budgeting and management efficiencies

- Forecasting difficulties in **volatile humanitarian contexts**.
- **Reduced flexibility**, as early commitments may limit responsiveness to new crises.
- Further analysis needed on implication of the transitioning to multi-year budgeting on policy, procedures and systems.

# Conclusion and recommendations

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For now, UNHCR recommends maintaining the current budget structure and 12-month budget period based on:

- **Findings from the review** of the new budget structure and period.
- The **dynamic and unpredictable humanitarian environment**, including shifting funding landscape.



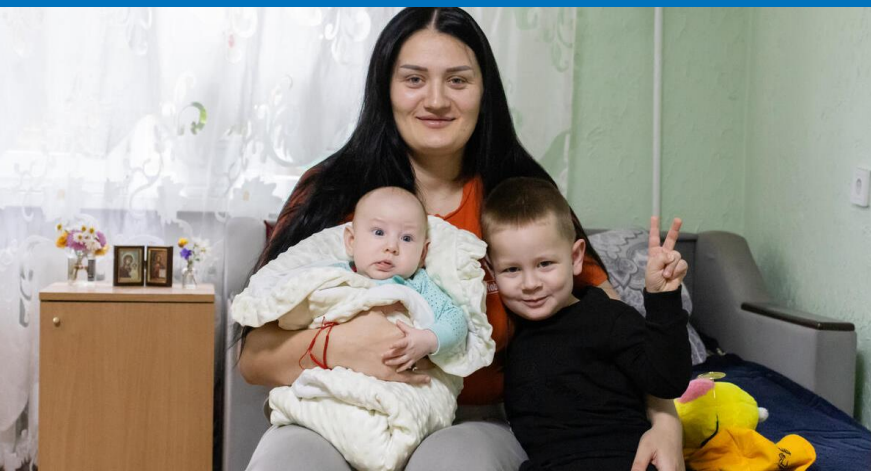
Other considerations of multi-year budgeting

- Future **review of the budget structure and period in the coming years.**
- Ensuring alignment with evolving **organizational priorities** and **reporting requirements.**

In the meantime, UNHCR will:

- **Continue assessing** the implications of a potential shift to a longer budget period.
- Analyze the **costs and benefits** of transitioning to a longer budget period.





# Thank You

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