
Advance, unedited version

18 August 2026

(English only)

Annual programme budget 2027 of the Office of the United Nations High Commissioner for Refugees

Report of the Advisory Committee on Administrative and Budgetary Questions*

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the annual programme budget for 2027 of the Office of the United Nations High Commissioner for Refugees (UNHCR). During its consideration of the report, the Committee was provided with additional information and clarification, concluding with written responses received on 23 July 2026.

2. During its fall session in 2026, the Advisory Committee will consider the financial report and audited financial statements for the year ended 31 December 2025 and the report of the Board of Auditors on the voluntary funds administered by the United Nations High Commissioner for Refugees. The Committee will include its main observations on any issues specific to UNHCR in its related report, which will be presented to the General Assembly during the fourth quarter of 2026.

* The present document is being issued without formal editing

II. Financial resources

3. The report presents the consolidated needs-driven 2027 budgetary requirements of the Office of the United Nations High Commissioner for Refugees for country and regional programmes, headquarters and global programmes, amounting to \$7,136.9 million. It reviews the current programme budget for 2026, as at 31 May 2026, of \$8,504.5 million. As there were no supplementary budgets created in 2026, this equals the original programme budget for 2026 of \$8,504.5 million, which the Executive Committee of the High Commissioner's Programme approved at its seventy-sixth plenary session in October 2025 (A/AC.96/76/5, Summary).

Budget methodology

4. Following a review of other UN entities and a series of informal consultations with Member States, a consensus was reached to implement a hybrid model which would show, cost requirements driven by needs, complemented by a statement on income-aligned budget prioritization. The budget decision, as part of the budget document, will provide for the approval by the Executive Committee of needs-driven programmes and budgets for country and regional programmes, global programmes and headquarters, as presented by the High Commissioner, while the Executive Committee would take note of the statement on income-aligned budget prioritization. Based on these consultations, it is envisaged that this reform will come into effect for the 2028 budget cycle (A/AC.96/76/5, Annex II, paras. 3 and 4).

5. Upon enquiry, the Advisory Committee was informed that the needs-driven plan and budget will continue to be developed based

on the assessed needs of forcibly displaced and stateless persons, as well as returnees, while a statement on income-aligned budget prioritization will present an income-aligned planning scenario based on expected funding levels. As income is partially driven by donor-earmarking, the statement on income-aligned budget prioritization will be simulation based, reflecting UNHCR priorities within expected levels of income, across funding sources, for the following year. This will enable more informed reporting on the relationship between identified needs, anticipated income, available resources, implementation and results achieved, as well as help explain material variances. Spending authority would continue to be established based on available and anticipated funding. Commitments and expenditure would continue to be monitored monthly and the spending authority adjusted as funding evolves. In practice, the statement on income-aligned budget prioritization would make those prioritization choices more transparent to Member States rather than fundamentally changing UNHCR's ability to manage resources in-year. Updates to the budget, income, prioritization and results will be provided throughout the implementation cycle to the relevant governing bodies. Discussions to date have focused on the concept of the hybrid model, and consultations on the presentation of the statement will continue in 2026. As the hybrid model will be introduced from the 2028 budget cycle, the presentation of the statement, related reporting arrangements and future analytical products remain under discussion. Further consultations with Member States are planned during the second half of 2026.

6. The Advisory Committee recalls that it previously noted that the funding gap had increased from 42 per cent in 2022 to 48 per cent in 2023 and to 52 per cent in 2024, broadening the variances between needs-based budget approved and actual expenditures. In view of the current

financial constraints and its impact on UNHCR operations, the Committee considered that the presentation of the budget should be improved to include, in addition to the proposed needs-based estimates, information on the organization's estimated operational requirements. The Committee also recalled it previously considered that the presentation of the annual programme budget should include the evolution of expenditures (actual and projected by item of expenditure, with justifications), as well as detailed staffing plans and tables, with statistics on proposed and actual staff and personnel. (A/AC.96/76/6, paras. 8 and 13). The report indicates that as part of the dialogue and consultations on budget reforms, UNHCR is reflecting on the format and information requirements to be included in the budget document (A/AC.96/76/5, Annex II, para. 8).

7. The Advisory Committee welcomes the efforts by UNHCR to adopt a budget model that continues to recognize cost requirements as driven by needs, while at the same time complementing it with a statement on income-aligned budget prioritization. The Committee notes the ongoing discussions on the presentation of the statement, related reporting arrangements and future analytical products and looks forward to further information thereon being provided in the next report. In addition to reiterating its previous recommendation on UNHCR's budget presentation (A/AC.96/76/6, para. 13), the Committee also trusts that ongoing discussions will address the need for enhanced transparency on the process of prioritization and on operational choices to ensure the most impactful contribution to the programme of work in a scenario of reduced resources.

8. The report indicates that UNHCR develops its budgetary requirements using a bottom-up and needs driven approach. UNHCR's strategic ambition over the next decade is to reduce by half the number of refugees in protracted displacement who remain dependent on humanitarian assistance (50 by 35), in line with the Global Compact on Refugees and reinforced operationally by the forthcoming new strategic directions. UNHCR has developed or updated the multi-year country strategies in close consultation with national authorities, partners and affected people, with planned resources aligned to context and planned outcomes. The proposed programme budget for 2027 reflects a continued strategic recalibration of UNHCR's role, sharpening its focus on targeted protection, solutions and support for inclusion in national systems in line with its mandate. Meanwhile, UNHCR will maintain its operational role in emergencies and situations of acute needs, guided by sustainability. (A/AC.96/76/5, paras. 7,8, 30-39).

9. Upon enquiry, the Advisory Committee was informed that the proposed budget allocation is expected to generate greater value by concentrating resources where UNHCR has the strongest mandate, comparative advantage and ability to influence sustainable outcomes. Aligned with the Global Compact on Refugees, the High Commissioner's "50 by 35" ambition, the Humanitarian Reset and the UN80 reform agenda, this approach seeks to maximize impact per dollar spent while preserving UNHCR's capacity to deliver life-saving protection and emergency response where needs remain acute.

10. The Committee was also informed, upon enquiry, that UNHCR's 2027 recalibration is based on country-specific, multi-year planning and needs assessments undertaken with national authorities, partners and affected populations. In determining delivery modalities, operations assess implementation capacity,

operational context, the presence and readiness of national systems and development actors, as well as UNHCR's comparative advantage. The objective is not a uniform transfer of responsibilities, but a context-specific recalibration towards more sustainable, nationally owned and development-oriented responses where conditions and capacities permit. UNHCR continues to maintain accountability for protection outcomes and retains direct operational engagement in emergencies and situations of acute need. Safeguards include protection monitoring and analysis, technical support, cluster leadership responsibilities, strengthened oversight and accountability mechanisms, and continued emergency preparedness and response capacity.

11. The Committee recalls it was previously informed, with regards to UNHCR initiative on sustainable programming, that UNHCR was intentionally aligning refugee responses with national systems to avoid unsustainable, parallel humanitarian structures. This longstanding priority was being accelerated by current budget realities. UNHCR would maintain its core capacities in protection and solutions, leveraging partnerships with development actors and the private sector, while continuing to support refugee-hosting countries and countries of origin.

12. **The Advisory Committee notes the indication that the programme budget for 2027 reflects a continued strategic recalibration of UNHCR's role based on the needs assessment it undertakes for budget preparation and also recalls the previous plans related to sustainable programming. The Committee trusts that more information on the evolution of UNHCR's methodology guiding the needs assessment undertaken in preparation of the annual budget will be provided in the next**

report. The Committee also trusts that further clarity will be provided in the next budget submission on whether the recalibration efforts impact the needs assessment and related needs-budget or if they would inform preparation of the statement of income alignment and its content.

13. The Committee further trusts that more detailed information on the framework guiding the transfer of responsibilities towards nationally-owned and development-oriented responses where conditions and capacities permit, as well as on the safeguards to ensure UNHCR continues to maintain accountability for protection outcomes, will be provided to the Executive Committee at the time of its consideration of the present report and in the next budget submission.

UN80 Initiative and culture of efficiency

14. UNHCR's efficiency efforts are aligned with the broader system-wide reform, including the Secretary-General's UN80 Initiative, and the Humanitarian Reset led by the United Nations Emergency Relief Coordinator. In 2025, UNHCR generated over \$130 million in total measured benefits from asset sales, cost savings and quantified efficiency gains. Once the Global Shared Services function is fully operational, the Organization expects efficiency gains of around 30 per cent on global transactions, driven by economies of scale, standardization and automation (A/AC.96/76/5, paras. 12, 14 and 36).

15. Upon enquiry, the Advisory Committee was informed that in line with the Integrated Approach to UN Supply Chains, UNHCR

is working closely with partners to advance integrated logistics and procurement solutions. Together with IOM, UNHCR is pursuing harmonized procurement of core relief and shelter items on behalf of the wider UN system. Implementation of these initiatives will start by September this year.

16. The Committee was also informed that most of the reported \$130 million efficiency gains would not be classified as efficiencies under a stricter value-for-money approach, but more as economies, in the sense of obtaining the same inputs or operational requirements at a lower cost. The 30% estimate related to the Global Shared Services function should be understood primarily as a reduction in the overall effort and resources required to perform in-scope transactional activities, rather than as an across-the-board commitment to reduce processing times or transaction costs by 30%. The baseline used in the business case was the estimated global capacity performing these activities before GSS implementation and prior to full process standardization. The business case also distinguishes between one-off implementation costs and recurring operating costs. The projected long-term savings are calculated after taking into account the ongoing cost of operating GSS, including GSS staffing and upfront investments required to establish the model.

17. Regarding the \$1.8 million in efficiency gains from improved travel services, the Committee was informed that reform measures have reduced administrative workload, eliminated duplication of effort, improved access to negotiated airline agreements and corporate fares, and streamlined supplier management and invoicing arrangements. These efficiency gains are separate from, and additional to, the estimated \$37 million in annual

travel cost savings achieved in 2025 through broader travel cost-containment measures.

18. **The Advisory Committee acknowledges the measures UNHCR has taken to achieve efficiency gains, including cost avoidance and cost efficiencies, and its participation in discussions under the Humanitarian Reset and system-wide efficiency efforts under the UN80 Initiative, and trusts that information in that regard will continue to be provided in the next budget report.**

Proposed 2027 budget

19. The proposed 2027 budget totals \$7,136.9 million, of which \$6,785.6 million is allocated for programmed activities, \$339.3 million for the operational reserve and \$12.0 million for Junior Professional Officers (A/AC.96/76/5, para. 51).

20. The report indicates that the last 10 years have seen the final programme budget increase at an average rate of 4 per cent, while funds available have decreased on average by 1 per cent and expenditure has remained static (A/AC.96/76/5, para. 15). **While noting the continued funding gap between the budget level and the funds available, the Committee also notes the proposed annual programme for 2027 represents an overall 16 percent reduction in comparison to 2026 budget, and a 30.4 percent reduction in comparison to 2025 approved budget.**

21. The Committee was provided upon enquiry with the table below showing the proposed and current budgets by cost category.

Table 1: Overall budget summary by cost category: 2025 expenditures, current budget for 2026 and proposed budget for 2027, 2026 Current Expenditures (end of June) and 2025 EXCOM Budget (in thousands of US dollars)

	2025		2025		2026		2026		2027		Variance	
	Expenditure		Approved Budget		Current Expenditures		Current budget		Proposed budget		2027 vs 2026	
	Amount	% over total	Amount	% over total	Amount	% over total	Amount	% over total	Amount	% over total	Amount	change
Programme												
Country and regional programmes	2,542,775	66%	8,188,928	80%	1,099,576	64%	6,770,793	80%	5,535,279	78%	(1,235,515)	-18%
Global programmes	178,478	5%	234,860	2%	121,468	7%	214,651	3%	217,655	3%	3,004	1%
Country operational technical support	45,536	1%	93,102	1%	20,924	1%	92,807	1%	105,801	1%	12,994	14%
Subtotal programme	2,766,789	72%	8,516,890	83%	1,241,969	73%	7,078,251	83%	5,858,734	82%	(1,219,516)	-17%
Programme support												
Country and regional programmes	616,106	16%	763,120	7%	258,995	15%	621,681	7%	502,283	7%	(119,398)	-19%
Global programmes	136,237	4%	150,635	1%	58,942	3%	129,648	2%	132,457	2%	2,809	2%
Country operational technical support	59,569	2%	61,956	1%	31,338	2%	56,597	1%	82,089	1%	25,492	45%
Headquarters: support divisions/services	29,665	1%	39,925	0%	15,625	1%	21,825	0%	13,046	0%	(8,779)	-40%
Subtotal programme support	841,577	22%	1,015,635	10%	364,900	21%	829,751	10%	729,875	10%	(99,877)	-12%
Management and administration												
Headquarters: annual budget	163,030	4%	168,401	2%	73,019	4%	128,978	2%	145,330	2%	16,352	13%
Headquarters: United Nations regular budget	50,458	1%	47,176	0%	25,817	2%	51,136	1%	51,638	1%	503	1%
Subtotal management and administration	213,488	6%	215,577	2%	98,836	6%	180,113	2%	196,968	3%	16,855	9%
Subtotal programmed activities	3,821,853	100%	9,748,101	95%	1,705,704	100%	8,088,115	95%	6,785,577	95%	(1,302,538)	-16%
Operational reserve (OR)		0%	487,405	5%			404,406	5%	339,279	5%	(65,127)	-16%
Subtotal programmed activities and OR	3,821,853	100%	10,235,506	100%	1,705,704	100%	8,492,521	100%	7,124,856	100%	(1,367,665)	-16%
Junior Professional Officers	8,603	0%	12,000	0%	5,106	0%	12,000	0%	12,000	0%	-	0%
Total	3,830,456	100%	10,247,506	100%	1,710,810	100%	8,504,521	100%	7,136,856	100%	(1,367,665)	-16%

22. On the increase of HQ budget despite the overall budget reductions, the Committee was informed upon enquiry that the key drivers of the increase in average staff cost per post under Headquarters are:

(a) Salary scale updates, particularly for national/local staff in some duty stations (Hungary) in line with those established by the General Assembly on the recommendation of the International Civil Service Commission (ICSC);

(b) Significant increases in the post adjustment managed and calculated by ICSC, in UNHCR's main Headquarters locations in 2025 which resulted in increases for the three main headquarters locations of between 18% - 21% between 2026 and 2027.

23. The Committee was also informed that the main driver of increase between the current budget 2026 and proposed budget 2027 under Country Operational Technical Support is due to the continued implementation of Global Shared Services. Under Programme Support (PS,) the main driver is costs "redeployed" from other budget components with a total of 112 positions transferred primarily from Headquarters divisions. A smaller component is linked to increases under ICT. Under Programme (PG), the increase is mostly related to the Aiming Higher Initiative and the increase demand for stand-by-partners.

24. Upon enquiry, the Committee was also informed that UNHCR continues to maintain the same methodology and process for attributing budgets and expenditures to cost categories. As per paragraph 10 (b) of the Programme Budget document for 2027, cost categories are defined as: Programme (PG) costs relate to those

activities and programmes benefiting forcibly displaced and stateless persons and are incurred at country and regional levels; Programme Support (PS) costs cover activities required to develop, formulate, direct, administer and evaluate programmes; and Management and Administration (MA) costs. The most significant change is in the attribution of cost categories in the proposed 2027 budget is the expansion of the Global Shared Services (GSS) under Country Operational Technical Support which is PS cost category. This cost category aligns with the objectives of GSS to provide centralized services to operations and headquarters.

25. Upon enquiry, the Committee was informed that during this period of change, the Organization does not assume that administrative requirements will decline in direct proportion to the reduction in posts. Core management, oversight, accountability, finance, human resources, information technology, security and compliance functions remain essential. Aspects of these requirements will be addressed through the redesign of the delivery of administrative services primarily through Global Shared Services. Over time, the reduced operational footprint should also reduce administrative transaction volumes in areas such as recruitment, onboarding, travel, procurement, asset management and routine support services. However, in the short term, the restructuring itself creates additional administrative demands.

26. The Advisory Committee notes that the Board of Auditors, in its report on financial statement for 2025, has identified that the reduction effort was borne primarily by field operations. Available data do not clearly indicate that UNHCR has preserved its core mandate functions, which were primarily affected by the downsizing. The significant reductions in Protection and Operational Delivery

contrast with the relative resilience of management and external relations and advocacy roles, challenging UNHCR's operational capacity in the field (A/81/5/Add.6, Summary).

27. **The Advisory Committee notes that, despite the projected reduction of 16 per cent in the 2027 budget, management and administration costs are projected to increase by 9 per cent. While acknowledging the challenges imposed by financial constraints and the resulting reductions in a short period of time, the Committee notes with concern the disproportionate share of reductions in field operations as compared with management functions, and underscores the importance of prioritizing the implementation of UNHCR's mandated responsibilities in the areas of protection and humanitarian assistance. The Committee trusts that UNHCR will continue its efforts to ensure the financial sustainability of the Organization in a scenario of continuing constraints in revenue (see also para. 41 below).**

Operational reserve

28. The report indicates that it is proposed to merge the current Working Capital Fund (which currently has a ceiling of \$100 million) into an operational reserve to be used to cover any unforeseen or unplanned expenditure, including staff terminations. The Reserve will also act as a liquidity mechanism pending collection of voluntary contributions. The operational reserve would be funded to a target level sufficient to cover one and half months of UNHCR's average expenditure. A conference room paper is being developed to propose changes to UNHCR's Financial Rules to facilitate this (A/AC.96/76/5, Annex II, paras. 6 and 7).

29. Upon enquiry, the Advisory Committee was informed that UNHCR reviewed practices across UN entities and non-profit organizations, where reserves are commonly based on either a percentage of income/budget or several months of expenditure. The target provides a liquidity and contingency buffer without requiring immediate full funding, and should be reviewed periodically against funding volatility, cash-flow delays and staff termination exposure. Based on 2025 expenditure of \$3,830.5 million, average monthly expenditure was \$319.2 million; 1.5 months therefore would represent approximately \$478.8 million. It is intended to reach the target level progressively over several budget periods, subject to availability of funds. Currently UNHCR has a mechanism in place to set aside funds for covering after-service health insurance of staff, unused annual leave credit and repatriation grants, but does not have any reserves to cover termination benefits payable under the United Nations Staff Regulations and Rules to staff whose contracts are terminated before their expiration date.

30. The new reserve would absorb the WCF balance and be funded from eligible prior-year savings, voluntary contributions and other miscellaneous income. Liquidity advances would be repaid when related contributions are received; the amounts utilized for other eligible purposes would be replenished as funds become available. Governance over the management of the reserve will include documented eligibility criteria, High Commissioner approval based on recommendations issued by the Controller and endorsed by the internal Resource Planning and Allocation Committee, approval thresholds, separate tracking of liquidity advances and non-

recoverable uses, replenishment plans. All movement to and from the reserve will be reported periodically to the Standing Committee.

31. **The Advisory Committee notes the intention to merge the Working Capital Fund into an operational reserve and acknowledges the need for UNHCR to have an appropriate tool to manage unforeseen or unplanned expenditure. The Committee notes the proposal would result in a joint reserve covering different purposes, such as unplanned staff liabilities and liquidity advances to be replenished when contributions are received, and trusts that more information on the benefits and risks of the intended approach will be provided to the Executive Board at the time of its consideration of the present report and in the next report. In that context, the Committee trusts that a comprehensive and detailed business case for the establishment of the new operational reserve will be presented, including more detailed information on funding strategies, eligible uses and replenishment, reporting and oversight procedures, as well as the minimum and maximum levels to be maintained in the reserve.**

Resource mobilization

32. Upon enquiry, the Committee was informed that following the peak funding in 2022, income has fallen: 2023: \$4.88 billion (-17% from 2022); 2024: \$4.88 billion (equal to 2023); and 2025: \$3.58 billion(-27%). 2026 funding is expected to fall by approximately 10% from 2025 levels, and early indications are for a further decline in 2027. Government donors provided the overwhelming majority of funding every year, but the amount declined in absolute and relative terms. Between 2022 and 2025, government funding dropped by approximately 43%. Based on long-term trends and data during for the first half of the year, income from

the private sector is expected to reach \$725M this year, just over 20% of total fresh funding expected. While UN pooled funding declined in 2024-2025, it rebounded in 2026 YTD to \$289M. This is largely due to funding under the US-OCHA MOU (of which UNHCR has so far received just over \$203million). Although total funding is declining, the donor mix is becoming less concentrated in governments (76% in 2021 and 66% in 2025). Meanwhile, IGOV and private donors together account for a growing proportion of income. This suggests greater diversification, albeit not enough to offset reductions in government funding. The Committee was also provided with the table below showing funding estimates, by donor type, from 2025 to 2027.

Table 2

Donor Type	2025 Actual	2026 Estimate	2027 Estimate
Government	2,351.4	1,503.0	1,268.6
Inter-Government	396.7	517.6	433.1
Private	696.6	725.0	755.0
UN/ pooled funds	133.5	430.2	348.5
Grand Total	3,578.2	3,175.8	2,805.2

33. Against this context, UNHCR's resource mobilization efforts are focused on: (a) Maintaining the confidence of traditional public sector donors by demonstrating UNHCR's added value; (b) Engaging with the private sector under three core pillars – influence, income and solutions; and (c) Continuing to diversify the funding base by working more with migration sources, development banks, climate funds, and blended instruments. Income generated by the Private Sector Partnerships Service (PSP) has grown an average of 3% per annum over the past 5 years. The private sector represents the single largest source of future income growth opportunity for UNHCR. In 2025, PSP was already the largest contributor of

unearmarked funding to UNHCR. Individual donors remain particularly important in ensuring flexible, predictable, and timely funding.

34. The Advisory Committee previously noted the positive results with private sector funding and its contribution to non-earmarked resources, and encouraged UNHCR to further pursue its efforts in that regard. The Committee trusted that future reports would provide information on investments made in private sector fundraising and its rate of return (A/AC.96/76/6, para. 17). **The Advisory Committee notes the funding challenges and acknowledges UNHCR's continued efforts to mobilize resources and diversify the donor base. The Committee also encourages UNHCR to continue its efforts to strengthen its outreach to donors, in particular regarding unearmarked and private sector funding, and requests further updates in the next budget report.**

Post resources

35. Table III.1 of the report presents a summary of posts by country and regional programmes, global programmes and Headquarters under the current budget and the 2027 proposed budget, with a current staffing level of 12,051 posts as at 31 May 2026. The requirements for 2027 are 8,540 posts, representing a net decrease of 3,511 posts, or 29 per cent, compared to 2026 (A/AC.96/76/5, para. 79). Compared to its budgeted workforce of 16,126 posts in 2025, the overall reduction in 2 years would represent 47%. The Committee was provided upon enquiry with the tables below showing post distribution by function and region.

Table 3

(in person-years)

	2026		2027		Variance	
	<i>Current budget (restated)</i>		<i>Proposed budget</i>		<i>2027 vs 2026</i>	
	<i>Posts</i>	<i>% over total</i>	<i>Posts</i>	<i>% over total</i>	<i>Posts</i>	<i>Percentage change</i>
Programme	5,750	48%	3,756	44%	(1,995)	-35%
Programme support	5,709	47%	4,224	49%	(1,485)	-26%
Management and administration	592	5%	561	7%	(31)	-5%
Total	12,051	100%	8,540	100%	(3,511)	-29%

Table 4

Overall summary of posts for 2026 and 2027 - by region, global programmes and headquarters

(in person-years)

	2026		2027		Variance	
	<i>Current budget</i>		<i>Proposed budget</i>		<i>2027 vs 2026</i>	
	<i>Posts</i>	<i>Percentage over total</i>	<i>Posts</i>	<i>Percentage over total</i>	<i>Posts</i>	<i>Percentage change</i>
West and Central Africa	1,939	16%	1,228	14%	(711)	-37%
Eastern and Southern Africa	3,064	25%	1,886	22%	(1,178)	-38%
Middle East and North Africa	1,468	12%	1,322	15%	(146)	-10%
Asia and the Pacific	1,695	14%	1,099	13%	(596)	-35%
Europe	1,140	9%	913	11%	(227)	-20%
The Americas	1,322	11%	774	9%	(548)	-41%
Country operational technical support ⁽¹⁾	245	2%	286	3%	41	17%
Subtotal country and regional programmes	10,873	90%	7,508	88%	(3,365)	-31%
Global programmes ⁽²⁾	566	5%	454	5%	(112)	-20%
Headquarters ⁽³⁾	612	5%	578	7%	(34)	-6%
Total	12,051	100%	8,540	100%	(3,511)	-29%

(1) Includes posts in divisions that provide direct support to country and regional operations
(2) Includes posts located in country and regional programmes
(3) Includes posts in Geneva, Budapest, Copenhagen and New York.

36. The Committee was also provided with the table below showing the decrease from 2026 to 2027 of senior-level positions (grades P5 to D2) by Regional Bureau/Headquarters locations.

Table 5

Region/ Operation	2026	2027	Var.	Var. (%)
Regional Bureau WCA ABC	14	14	-	0%
Regional Bureau EHGL ABC	18	16	- 2	-11%
Regional Bureau MENA ABC	16	16	-	0%
Regional Bureau ASO ABC	16	14	- 2	-13%
Regional Bureau Europe ABC	16	12	- 4	-25%
Regional Bureau AME ABC	20	8	- 12	-60%
Headquarters Divisions and Entities	227	226	- 1	-1%
Total	327	306	- 21	-7%

37. The Committee was informed upon enquiry that UNHCR was compelled to undertake a major organizational restructuring in March 2025 under exceptional time pressures following significant reductions in funding. The exercise resulted in changes to 185 country and regional presences through downsizing, mergers, or closures, and led to a reduction of more than 30 per cent of positions globally. One regional bureau was closed, and the number of headquarters divisions was reduced from eight to five. In addition, senior-level positions at headquarters and in operations were reduced by approximately 50 per cent, and country operations were encouraged to increase the nationalization of existing positions.

38. The Committee was further informed upon enquiry that UNHCR recognizes that the reduction in budgeted posts from 2025 to 2027 is significant and is not without risks or without any impact. Risks have increased, and some impacts on service delivery are already being experienced with internal controls also under pressure. The Organization is working rigorously to ensure that limited resources are deployed as strategically as possible in an exceptionally difficult environment.

39. UNHCR has already implemented relocations as part of its effort to reduce costs and align its Headquarters footprint with the constrained resource environment. In 2025, 50 positions were relocated from Headquarters locations to lower-cost duty stations, mainly from Geneva to Budapest (23), Madrid (18) and Athens (5), with some changes effective in 2026. A further 14 positions are under consideration to relocate to Rome and Dubai. **The Advisory Committee trusts that more information will be provided to the Executive Committee on the process for selecting duty stations**

and staff for relocation, including the criteria taken into consideration and the cost-benefit analysis conducted.

40. In its report, the Board of Auditors noted an imbalance in the execution of UNHCR's decentralization and regionalization strategy. While UNHCR's strategic directions aim to protect operational capacities, the field carries almost the entire burden of the downsizing. Meanwhile, Headquarters is effectively strengthening its relative weight within the global organizational structure, in connection with the establishment of the Global Shared Services in Budapest. The Board noted that the reductions are straining UNHCR's operational capacity and recommended that UNHCR develop and apply a structured set of workforce composition indicators to inform the next phases of organizational reconfiguration, including contract type, grade, function, location and national/international balance, with a view to supporting alignment between workforce planning, strategic priorities and operational requirements. The Administration accepted the recommendation (A/79/5 (Vol. II)/Add.6, paras. 114 to 116; 159-162). The Committee will comment further in its related report submitted during the fourth quarter of 2026.

41. **While the Advisory Committee acknowledges the need to align staffing with current funding challenges, it notes the impact of staffing reductions on field operations in particular, and emphasizes that downsizing should not disproportionately affect the implementation of UNHCR's operational activities. The Committee trusts that future staffing policies will take into account a balanced approach between Headquarters and field staffing, and ensure the maintenance of UNHCR's operational**

role. The Committee further trusts that the next report will include more information on the risk management measures in the current financial environment.

42. In the past, the staff in-between-assignments period provided flexibility for both staff and the organization as part of UNHCR's rotational system. Following the 2025 financial contraction and the downsizing exercise, the number of international staff has become disproportionate to the number of available positions. Around 860 staff were in between assignments in mid-July 2026. The High Commissioner activated the Staff Placement and Reduction in Force Policy for international staff in May 2026. The process targets international staff in between assignments or about to be unassigned and includes participation in a targeted placement exercise that brings together all currently vacant positions (around 190 positions). An agreed termination option was also offered at the outset of the process for colleagues who opted to separate voluntarily. Where no suitable placement is possible, the policy provides for separation in accordance with the applicable rules, including notice periods and termination indemnities. In parallel, UNHCR launched a comprehensive review of the organization's mobility and contractual framework, with the dual aim of reducing structural liability in the international workforce and building a more resilient and sustainable model. Policy proposals are pending final reviews and approval by the High Commissioner, ahead of expected implementation in September 2026.

43. The costs of staff-in-between assignment, termination costs and early separation programme were partially met through voluntary contributions. In addition, exceptional transfers from the

working capital fund, the medical insurance plan and self-financing activities were also made to the Annual Programme Fund to cover concerned costs. Staff-in-Between-Assignment (SIBA) costs (\$110 million) are related to 473 non-working staff members remaining in SIBA status following organizational restructuring. Termination costs (\$79.1 million) represented separation payments and associated entitlements for staff whose contracts were terminated. Early Separation Programme (ESP) costs (\$33 million) covered separation packages and incentives offered under the voluntary Early Separation Programme, launched in October 2025, which resulted in approximately 300 departures. The Committee was also provided with the table below showing staff impacted and related costs.

Table 6: 2026 update on number of staff impacted and related costs:

Basis for discontinuation and separation	Number impacted (in 2026, as of July 20th)*	Number impacted (in 2025)
End of affiliate contract	498	2,815
End of contract of staff member	480	1,779
Resignation for other reasons than retirement	158	463
Separation for other reasons	-	242
Abolition of post	711	2,341
Voluntary separation programme	-	264
Agreed termination	110	123
Other staff separation including retirement	61	-
Other staff termination	14	48
Total	2,032	8,075

**Certain separation categories may be different in 2026 compared to 2025.*

44. **The Advisory Committee trusts that UNHCR will provide updated information to the Executive Committee at the time of its consideration of the present report on the implementation of the Staff Placement and Reduction in Force Policy, reduction in staff-in-between assignment, associated costs and source of funding. The Committee also trusts that UNHCR**

will provide updates on workforce policy proposals in future budget reports, including on staff in-between-assignment and costs related to separation and termination.

Staff demographics

45. Upon enquiry, the Advisory Committee was informed that UNHCR monitors workforce representation through its Global Workforce Dashboard using indicators for geographic representation, including: (a) % Global South / Global North overall; (b) % Global South / Global North at P-5 to D-2 leadership level. The overall workforce decreased from 19,760 in 2024 to 14,193 in 2025 and 12,661 as of 31 May 2026, although the organization's key diversity indicators have remained broadly stable. Representation from the Global South remained consistently high, accounting for 81.1 per cent, 80.0 per cent and 79.2 per cent of the workforce respectively. Representation from the Global South at the P-5 to D-2 leadership levels also remained stable, at approximately 43–44 per cent over the reporting period.

46. The Committee was informed that the available workforce data indicate that, while resource reductions have significantly reduced the size of UNHCR's workforce, they have not materially altered the organization's gender composition or geographic representation, either across the workforce as a whole or within the P-5 to D-2 leadership cohort. The Committee was also provided with the table below showing staff distribution within the professional category by gender and geographical region of nationality for the years 2022-2026 (as at 30 June 2026).

Table 7

UN Region of Nationality	2022			2023			2024			2025			2026 (June 30)		
	Percentage (Nationality)	Female	Male	Percentage (Nationality)	Female	Male	Percentage (Nationality)	Female	Male	Percentage (Nationality)	Female	Male	Percentage (Nationality)	Female	Male
African States	32%	34%	66%	32%	35%	65%	32%	35%	65%	32%	35%	65%	40%	29%	71%
Asia-Pacific States	18%	45%	55%	18%	44%	55%	19%	45%	55%	20%	45%	55%	26%	43%	57%
Eastern European States	7%	55%	44%	7%	56%	44%	7%	56%	43%	7%	56%	44%	10%	61%	39%
Latin American and Caribbean States	6%	58%	42%	6%	58%	42%	7%	58%	42%	6%	59%	41%	8%	57%	43%
Western European and other States	36%	60%	40%	36%	60%	40%	35%	61%	39%	35%	61%	39%	16%	63%	37%
Not Defined	0.2%	36%	64%	0.3%	38%	62%	0.3%	36%	64%	0.3%	33%	67%	0.3%	44%	52%
Total	100%	48%	52%	100%	48%	52%	100%	49%	51%	100%	49%	51%	100%	48%	52%

Unlike the United Nations Secretariat, UNHCR does not apply the Secretariat's system of regions of nationality. Instead, UNHCR monitors representation using indicators aligned with its own workforce composition and global operational footprint.

47. **The Advisory Committee reiterates that UNHCR should continue its efforts to achieve a more equitable geographical representation of Member States among its staff, in particular at the senior levels.**

III. Other matters

Global Shared Services (GSS)

48. The Advisory Committee was informed upon enquiry that the services being rolled out under GSS include: local personnel administration transactions, including onboarding and contract administration; finance transactions including transactional finance services introduced progressively across implementation phases; supply transactions including transactional procurement-support activities; and additional IT transactional services. A phased service catalogue, service-specific guidance, and Responsible Accountable Consulted Informed matrices are being developed and published internally. Activities remaining with Country Operations include: decision-making and operational accountability; strategic planning and workforce management; recruitment; and tendering, bid evaluation, contract award decisions, and supplier relationships.

49. Current workforce modelling indicates that approximately 2,220 personnel were performing in-scope transactional HR,

Finance, Payroll, Supply and IT activities before GSS. Following full implementation, the model projects approximately 1,300 personnel, including GSS positions. These figures represent the estimated effort required to deliver the services under the future operating model and should not be interpreted as a projection of posts abolished or retained at specific organizational levels. Effective 1 July 2026, HQSS was integrated under Global Shared Services (GSS) to strengthen accountability and alignment across UNHCR's shared service landscape. While operating under a unified accountability structure, HQSS remains a distinct Headquarters-focused service platform with dedicated governance arrangements, ensuring continuity of support to Headquarters Divisions and Entities while complementing the broader GSS service framework. The integration process commenced on 1 July 2026 and is expected to be completed toward the end of the year. The GSS business case was informed by the experience of other UN shared-service organizations and industry practices, including lessons learned from agencies such as UNICEF. These benchmarks support the expectation that centralization, standardization and automation can deliver efficiency gains of up to approximately 30% over time. As implementation progresses, UNHCR will increasingly rely on actual performance data, including transaction volumes, cost per transaction, service levels, quality indicators and customer satisfaction, to validate that the balance between GSS, Headquarters, Regional Bureaux and Country Operations remain proportionate to operational requirements.

50. Global Shared Services (GSS) is led by a D1 Head of GSS and organized around five service lines headed by P5 Chiefs for Finance, Payroll, Personnel Administration, Supply, and the Contact Centre, alongside a P5 Head of Headquarters Support Services (HQSS), and IT asset management. The budgeted requirements for

2027 comprises approximately 234 positions and combines a central hub in Budapest with satellite teams in Panama, Dakar, Nairobi, Copenhagen, Kuala Lumpur and Amman to provide global, multilingual and follow-the-sun support. GSS is designed as a shared service organization focused on high-volume, location-independent and system-enabled transactions.

51. The Advisory Committee trusts that the next report will include detailed information on the progress in implementation of the Global Shared Services, including a clear performance framework with baselines and measurable indicators, including as it pertains to volume of services, staff and personnel requirements and service quality for better assessment of progress and generated efficiencies. The Committee also trusts that more clarity will be provided on any changes in the cost structure and budget categories, for better assessment of what costs are allocated under indirect versus direct costs.

Implementing partners

52. Upon enquiry, the Advisory Committee was informed that UNHCR is planning to implement \$2.256 billion (around 33% of the 2027 programme activities budget) through partnerships. In 2025, UNHCR's implementing partners were composed as follow: international (11%), national (17%) and local (71%). UNHCR separately identifies partner programme expenditure, partner support and other miscellaneous expenditure. For partner support, UNHCR provides Partner Integrity Capacity and Support Costs (PICSC) to partners to support indirect organizational functions that are essential for effective programme delivery. All expenditure remains subject to UNHCR's oversight mechanisms, including financial verification,

monitoring and, where applicable, independent audit. In 2025, UNHCR provided PICSC to a rate of 5% of the total partnership expenditure to eligible partners. The Committee was also provided with the table below showing partnerships by type and region.

Overview table: % of 2026 implementation through partnerships by type of partners by region/impact area (as of 30 June 2026)²

Regional breakdown	IA1: Protect	IA2: Assist	IA3: Empower	IA4: Solve	Per Type of Partner
Asia and the Pacific					
International	19%	9%	20%	36%	17%
National	3%	40%	1%	3%	14%
Local	78%	51%	79%	61%	69%
East and Southern Africa					
International	25%	58%	58%	44%	48%
National	60%	16%	6%	44%	27%
Local	15%	26%	36%	12%	25%
Europe					
International	5%	0%	23%	11%	4%
National	11%	0%	30%	0%	5%
Local	84%	100%	47%	89%	91%
Middle East and North Africa					
International	42%	54%	29%	2%	39%
National	14%	3%	1%	19%	8%
Local	44%	43%	70%	79%	53%
The Americas					
International	11%	52%	64%	26%	24%
National	12%	10%	0%	0%	8%
Local	77%	38%	36%	74%	68%
West and Central Africa					
International	31%	76%	62%	53%	60%
National	43%	1%	2%	25%	12%
Local	26%	23%	36%	22%	28%

² As funding comes in during the year, UNHCR continues to adjust its implementation, including partnerships and agreements; the end year ratio based on the final expenditure may therefore look different.