

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

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Review of the UNHCR budget model

Summary

This paper presents an overview of the consultations conducted by the Office of the United Nations High Commissioner for Refugees (UNHCR) with Member States between November 2025 to June 2026 on the review of the budget model. Existing UNHCR practices, approaches followed by peer organizations, and options for enhancing the transparency and presentation of budgetary information were considered. Based on the consultations, UNHCR proposes maintaining a needs-driven budget, while introducing a new income-aligned presentation.

I. Introduction

1. Over the years, UNHCR has continued to adapt its planning, budgeting and reporting frameworks to respond to an evolving operational and funding environment. Building on efforts to strengthen budget planning, reporting and the presentation of budgetary information, UNHCR conducted a series of consultations with Member States between November 2025 and June 2026.

2. These discussions provided an opportunity to exchange views on key elements of the budget model and to inform further developments. The consultations focused on four main themes: definition of the budget and the distinction between needs-driven and income-based approaches; strategic directions and prioritization; management of risks in voluntarily funded organizations, including through reserves; and the financial rules, aimed at enabling UNHCR to respond effectively to the current financial situation and manage similar challenges in the future.

3. As part of this review, UNHCR examined budgeting practices across a range of peer organizations. These included the International Committee of the Red Cross (ICRC), International Organization for Migration (IOM), United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), the World Food Programme (WFP), and the World Health Organization. Additionally, due consideration was given to the recommendations made by the United Nations Board of Auditors.

II. The review

A. Budgeting approaches

4. UNHCR develops its budgetary requirements through a bottom-up, needs-driven approach based on assessments of the humanitarian and protection needs of refugees, asylum-seekers, stateless persons, returnees and internally displaced persons, as well as the potential to make progress on solutions. It formulates the budget in close collaboration with national authorities and partners, taking into account complementary efforts made by an array of stakeholders to enhance burden- and responsibility-sharing under the Global Compact on Refugees.

5. Multi-year country, regional and global strategies are aligned with the High Commissioner's strategic directions and aimed at ensuring effective delivery of UNHCR's mandated responsibilities. They take into account established global priority parameters and other factors such as the projected numbers and movements of forcibly displaced and stateless persons, specific operational contexts, UNHCR's capacity to implement activities within an annual budget period, directly or through funded partners, the presence and level of engagement of partners, including development actors, national response plans and capacity, and the Office's role in inter-agency mechanisms.

6. UNHCR reviewed the practices of peer organizations, taking into consideration differences in mandates, governance arrangements, and funding models. The review found that several organizations supplement needs-driven estimates with information on anticipated resources and expected implementation levels. WFP, for example, presents both operational requirements and an implementation plan aligned with projected income, providing governing bodies with a clearer understanding of the relationship between identified needs and expected delivery. The review of peer practices and consultations with Member States pointed to a common objective: preserving the visibility of humanitarian needs, while providing clearer information on how funding realities are expected to affect implementation.

B. Consultation process

7. Throughout the consultation process with Member States, the importance of preserving the needs-driven nature of UNHCR's budget was reiterated. There were strong calls for UNHCR to continue providing a comprehensive representation of the needs of forcibly displaced and stateless persons within UNHCR's mandate, irrespective of anticipated funding levels. Such an approach not only supports effective planning but also provides visibility of the contributions and responsibilities assumed by host countries and communities. The continued presentation of needs was furthermore viewed as an important element for transparency and for accountability to affected populations.

8. At the same time, there were calls for UNHCR to provide budgetary information in a way that was more closely aligned with anticipated income, demonstrating clearly how strategic prioritization guides the use of resources across the needs-driven budget. Discussions also highlighted the growing challenges associated with forecasting income and allocating resources in a funding environment characterized by declining flexibility and increased earmarking. Overall, therefore was broad support for an approach that preserves the needs-driven budget as the primary planning and approval instrument, while complementing it with additional information on projected funding and prioritization.

C. Way forward

9. Drawing on the review and consultations process, UNHCR agreed with the need to strengthen the presentation of budgetary information, while preserving the needs-driven budget. In this regard, the Office intends to implement a dual-track approach, beginning in 2027 for the 2028 budget process. Under this new approach, it will prepare and present a needs-driven programme budget for review by the Standing Committee and approval by the Executive Committee, reflecting the breadth of identified needs and the resources required to meet them.

10. A presentation of income-aligned budget information and detailed discussion on prioritization based on expected funding levels will accompany the process. This will demonstrate UNHCR's protection and operational priorities alongside assumptions regarding donor earmarking and funding patterns. The presentation will represent a realistic subset of operational requirements that can be implemented within anticipated resource levels, while providing greater transparency on how UNHCR would prioritize implementation when actual income falls below the identified needs.

11. As income is partially driven by donor-earmarking, the income-aligned budget presentation and prioritization will be simulation-based, reflecting UNHCR priorities within expected levels of income, across funding sources, for the following year. It will be presented at impact and outcome levels, both globally and regionally, providing a granular lens through which to view the prioritization of UNHCR's Executive Committee-approved budget.

12. Taken together, these elements would provide greater visibility into the relationship between identified needs, anticipated resources and expected delivery. The proposal reflects the outcomes of the review and consultations and seeks to balance comprehensive visibility of humanitarian needs with greater transparency regarding anticipated prioritization.

13. The dual-track approach will commence in 2027 for the 2028 programme budget process. It should be noted that this dual track budget model will be undertaken in parallel to the development of the strategic directions, which set out the priority parameters for UNHCR engagement and which will impact funding allocations. Close engagement with Member States will continue, both through informal sessions and through the regular Standing Committee discussions on budget and funding, where updates will be provided and the Committee will have an opportunity to propose further refinement.

III. Draft decision on the budget model consultation

The Standing Committee,

Expresses appreciation for the detailed consultations with Member States undertaken with a view to strengthening the presentation of UNHCR's budgetary information;

Notes UNHCR's intention to implement a dual track approach, under which a needs driven budget will be presented for approval by the Executive Committee and a presentation of income-aligned budget information and detailed discussion on prioritization based on expected funding levels will accompany the process; and

Welcomes the adoption of this new approach in 2027 for the 2028 budget.
