

**INTERNATIONAL RENEWABLE ENERGY AGENCY**

Fourteenth meeting of the Council  
Abu Dhabi, 28 - 29 November 2017

Context: Pursuant to decision C/3/DC/3, the Administration and Finance Committee (hereafter “AFC” or “Committee”) met on 27 November 2017. It reviewed matters related to the Proposed Work Programme and Budget for 2018-2019, Internal Audit, and External Audit.

### **Chair’s Summary of the Outcome of the Administration and Finance Committee Meeting**

The following comments and recommendations were made:

1. Proposed Work Programme and Budget for 2018-2019

- The Director-General reflected on the progress made in the implementation of the current Work Programme and Budget as set out in the ‘Annual Report of the Director-General on the implementation of the Work Programme and Budget for 2016-2017, contained in document C/14/2, and introduced the ‘Report of the Director-General on the Proposed Work Programme and Budget for 2018-2019’, contained in document C/14/L.4.
- The Host Country expressed its support for the proposed 2018-2019 budget and reaffirmed its continuing commitment to the Agency, including through core non-assessed contributions and support for the Agency’s Headquarters operations.
- One Participant, while supporting the work of the Agency, informed of his Government’s zero nominal growth policy applicable to all international organisations, including IRENA, and stressed the importance of maximum efficiency in the use of limited resources. The Participant requested the Secretariat to propose a revised budget that did not increase this Member’s contribution and to highlight the impact that this change to the budget would have on the 2018-2019 Work Programme.
- One Participant noted they normally applied a similar zero nominal growth budget policy for international organisations, but observed that the proposed budget is reasonable and can be supported given the growth of IRENA membership.
- One Participant supported the proposed 2018-2019 budget, noting the effect of the increase of the Agency’s membership and inflation that has occurred since the adoption of the 2016-2017 budget. The Participant invited the Secretariat to present to the Council a proposal for an additional budget provision that would encourage pledges from Members at the beginning of the biennium to ensure greater additional contributions and provide a more predictable resource base.
- The Director-General expressed his appreciation for the support of the proposed 2018-2019 budget and acknowledged the financial constraints being faced by certain Participants. He advised that the proposed 2018-2019 budget is presented as a zero real growth budget and that the inflation rate contained therein is lower than the actual rate of inflation of the host country of the Agency’s Headquarters. The Director-General also stated that the demand for the Agency’s services as well as the Agency’s membership is increasing, and noted that the Agency’s global mandate means that not all Members are able to provide additional voluntary contributions. The Director-General noted the Secretariat will propose options to allow the

- maintenance of the overall level of the proposed work programme and budget to retain coherence of the programme. He said that one of these options could be create a new line in the core non-assessed part of the budget where Members could contribute additional resources to make up the shortfall in the core assessed resources.
- The Chair of the AFC noted that the discussion of the proposed 2018-2019 budget would continue in the Council. He acknowledged that the majority of Members was able to accept the budget as submitted and encouraged Participants to consider solutions for maintaining the proposed budget level while accommodating the concerns expressed by one Member.
2. Report of the Director-General on internal audit
    - The Director-General introduced the ‘Report of the Director-General on the Activities of the Internal Audit Office, and Internal Audit Recommendations and Actions Taken’, contained in document C/14/7.
    - The AFC took note of the report and decided to submit it to the Council.
  3. Status of implementation of external audit recommendations
    - The Secretariat introduced the ‘Report of the Director-General on the Status of Implementation of the External Audit Recommendations’, contained in document C/14/8.
    - The AFC took note of the report and decided to submit it to the Council.
  4. Any other business
    - One Participant enquired whether the ‘Report of the Ethics Officer on the Implementation of the Policy on Ethics and Conflict of Interest’, contained in document C/14/6, should also be considered by the AFC. The Chair advised that this matter is not part of the Committee’s mandate, referring to the Terms of Reference of the AFC contained in document C3/DC/3, and that this document is submitted directly to the Council for its consideration.
    - The Participant also proposed that an agenda item on the appointment of the Director-General Selection Committee be inserted into the Agenda of the fourteenth meeting of the Council.
    - One Participant referred to the Addendum to the ‘Rules of Procedure of the Assembly of IRENA and the Rules of Procedure of the Council of IRENA’ on the selection and appointment of the Director-General, contained in document A/5/5, and noted that this process is triggered by the Assembly.
    - The Chair of the AFC advised that consideration of this matter did not fall within the Terms of Reference of the AFC, and thus any further discussions that may be required at this stage should be held in the Council.