

**PREPARATORY COMMISSION FOR THE
INTERNATIONAL RENEWABLE ENERGY AGENCY**

**Decision on the Budget Outline 2010 and Related
Provisions**

Second session

Tuesday, 30 June 2009

Sharm El Sheikh International Congress Center (SEICC)

IRENA/PC.2/dc.3

Agenda item 11

**Decision PC.2/dc.3 on Adopting the
Budget Outline of the Preparatory Commission for the Financial Period 2010 and
Related Provisions**

The Preparatory Commission for the International Renewable Energy Agency

(*"Commission"*), at its second session,

having considered paragraph II of decision PC.1/dc.5 on establishing an Administrative Committee for the Commission,

recalling regulation 3.1, 3.5 and 4.1 of the interim financial regulations of the Commission,

having considered the proposed budget for 2009, submitted by the Administrative Committee,

emphasising the considerable uncertainties for drafting the budget outline for the year 2010, in the light of the initial stage of the Commission,

taking into account the decision made by the Commission at its second session on the interim seat of the Secretariat for IRENA,

- I. *invites* all Members of the Commission to contribute to the budget of the Commission in 2010 by voluntary contributions;

- II. *states* that a solid financial basis is needed already in 2010 in order to enable an early, effective and sound establishment of IRENA and therefore *agrees* that Members of the Commission should pay their voluntary contributions according to the indicative IRENA adjusted scale of contributions. The indicative IRENA adjusted scale of contributions, based on 136 Members as of 30 June 2009, will be included in the conference report of the second session of the Commission for information purposes. The Interim Director-General, taking into account the forthcoming UN scale of assessments for the apportionment of the expenses of the United Nations,¹ is requested to propose an indicative IRENA scale of contributions for consideration and decision by the Commission as part of the budget 2010;

- III. *requests* the Members of the Commission to pay their contributions as early as possible in January 2010, preferably on 1 January 2010, in accordance with regulation 9.2 of the interim financial regulations;

- IV. *decides as follows*:
 1. The budget outline for 2010 shall be 17.090 million USD for the purposes specified in Annex I, table 1.
 2. Based on the income and budget performance report of 2009, the Interim Director-General shall submit a draft budget for 2010 to the Commission for consideration and decision at its third session.
 3. Until the decision on the budget 2010 has been adopted by the Commission, the budget 2009 shall apply.
 4. The Interim Director-General shall propose an organisation chart and a detailed staffing table when presenting the specified and adjusted 2010 budget. In 2010, the Interim Director-General may hire general and professional staff below the

¹ Cf. Resolution 61/237 of the UN General Assembly.

level of D-1 as outlined in the indicative staffing table of Annex I, table 2 until the detailed staffing table has been adopted by the Commission.

5. In accordance with regulation 3.2 of the interim financial regulations, the specified and adjusted 2010 budget shall be presented in the form of both, cost based budgeting and result based budgeting.
6. The Interim Director-General shall evaluate implications of different currencies for the budget and propose a decision on this matter in accordance with regulation 3.3 of the interim financial regulations at the third session of the Commission.
7. The Interim Director-General shall evaluate the pertinence of an annual and a biennial financial period for the budget until the first session of the Assembly of IRENA, taking into account the accounting standards.
8. The Interim Director-General is requested to report at the fourth session of the Commission on the income, budget performance and possible adjustments in accordance with Article 15 of the interim financial regulations.

Annex I

Table 1: Indicative cost based budget for 2010 (USD in thousands)

Expenditures by cost category 2010	
Staff and other personnel costs	10,700
Contractual services ²	4,100
Travel	300
Operating expenses	500
Acquisitions ³	350
Body meetings	150
Total expenditures	16,100
Increase of operating reserve⁴	990
(resulting total operating reserve: 2,415)	
TOTAL FINANCIAL NEEDS	17,090
Income	
Voluntary contributions	17,090
TOTAL INCOME	17,090

² Including all contractual costs for the basic tasks (Communication, Cooperation network, Knowledge management), for the initial core activities and for Management and Administration (legal and financial advice, information technology services, other external expertise).

³ Non-consumable, non-service expenditure, e.g. for furniture, equipment, software.

⁴ In the case of voluntary contributions, the UN regulations envisage an operating reserve (trust fund) of up to 15% of the annual expenditures. For 2010, the operating reserve is calculated to amount to 15% of the annual expenditures. The operating reserve remains a property of the Members that have contributed to it. After IRENA's Statute has entered into force, IRENA will rely on assessed contributions and therefore the operating reserve will be paid back to the Members that have actually contributed to it and a working capital reserve corresponding to 8.3% of the annual expenditure will be established instead.

Table 2: Indicative staffing table for 2010

Category	Person-months in 2010	Full-time staff 2010
Professional	750	78
General service	190	17
Total		95

Table 3: Indicative result-based budget for 2010 (USD in thousands)⁵

Programme-based expenditures 2010	
Executive direction, management and strategy	1,800
Knowledge management	2,000
Cooperation networks	1,000
Communication	1,500
Initial activities	6,800
Programme-related administration and infrastructure	3,000
Total programme-based expenditures	16,100

⁵ For further details, see the respective provisions in the 2009/2010 work programme.