

Twenty-first meeting of the Council
Abu Dhabi, 25-26 May 2021

Preliminary Framework for the Work Programme and Budget for 2022-2023

I. Introduction

1. The present document sets out the preliminary programmatic framework for 2022-2023, pursuant to the Assembly decision on the *IRENA Programmatic and Budgetary Cycle* of 14 January 2013 (A/3/DC/12). This Decision requests the Director-General to “consult with Members to elicit their views on the IRENA work programming to be taken into consideration in the developing of the biennium work programme and budget, within the overall Medium-term Strategic framework”. Following the same Decision, on 11 March 2021 the Director-General invited Members to provide input to the upcoming Work Programme. In response, 7 Members provided detailed and welcome contributions that supported the development of the Preliminary Framework for the Work Programme and Budget for 2022-2023. Feedback was also received from Members on the Agency’s ongoing and future work at the 11th session of the Assembly in January 2021, which fed into the present document.
2. This Preliminary Framework benefited from the external evaluation undertaken in 2020¹ and the experience in programmatic implementation to date. In line with the previous practice, the Secretariat sought input from IRENA’s Coalition for Action members, resulting in 38 submissions from the private sector and civil society institutions².
3. Based on Member feedback, the Preliminary Framework remains rooted in the Medium-term Strategy (MTS), which has been guiding programmatic implementation since 2018 and remains in force until 2022. The Assembly will adopt the next five-year strategy at its 13th session in January 2023, which will be mid-cycle for the upcoming Work Programme. Therefore, the next programmatic cycle bears significance for the longer-term positioning and direction of the Agency.
4. Following the 21st meeting of the Council, this Framework will be elaborated into a draft Work Programme and Budget for 2022-2023 for consideration by the Council at its 22nd meeting.

II. Strategic Direction

5. IRENA’s mission defined in the MTS is “*to play a leading role in the ongoing transformation of the global energy systems as a centre of excellence for knowledge and innovation, a global voice of renewable energy, a network hub for all stakeholders and a source of advice and support for countries*”. This mission is reflected in four strategic objectives that provide orientation to programmatic cycles, guiding the Agency’s action across its competence areas. These objectives provide for IRENA to:

¹ Medium-term Strategy 2018-2022 – External Evaluation ([C/20/3](#))

² Written contribution from IRENA Members and the Coalition for Action can be found on IRENA’s online platform for Members - [REmember](#).

- Empower effective policy and decision-making by providing authoritative knowledge and analysis on renewables-based energy transformation at global, national and sectoral levels;
 - Shape the global discourse on energy transformation by providing relevant timely, high-quality information and access to data on renewable energy;
 - Provide an inclusive platform for all stakeholders to foster action, convergence of efforts and knowledge sharing for impact on the ground; and
 - Support country-level decision-making to accelerate the renewables-based transformation of their energy systems, advance strategies to decrease global emissions and achieve sustainable development.
6. The MTS outlines several strategic considerations that provide programmatic orientation and consistency of outputs. Among these, the MTS highlights IRENA's global membership as a major asset to be used to access the wealth of knowledge, experience and expertise that exists among its Members. It calls for IRENA to act as an effective platform for collaboration among Members and other stakeholders, who must participate in the energy transition.
 7. The MTS notes that the current five-year period will be decisive for advancing global development and climate agreements. Given the significant role renewable energy must play in this context, the MTS emphasises IRENA's analytical, advisory and convening abilities in shepherding the ongoing energy transition. It also highlights the need for renewable energy to be considered in a broader context to assist countries in meeting a range of economic, social, environmental and climate objectives.
 8. Member feedback on the priorities for the coming programmatic period reaffirmed the strategic considerations and guidance of the MTS outlined above, with additional nuances stemming from the diverse set of objectives. These span from development imperatives, climate change, sustainable growth, energy security, and local pollution considerations, with the overarching backdrop of the ongoing health crisis and its wide-ranging consequences. Moreover, the pandemic brought to the fore less-visible vulnerabilities of the current energy system and its immense impact on many facets of daily life. The intertwined nature of fossil fuels with the global economy and the fragility stemming from this reality became apparent when demand stalled due to the economic downturn. On the other side of the spectrum, the health crisis accentuated the unacceptable fact that billions of people live in energy poverty, rendering services like health, water, and information technology out of reach.
 9. Amidst this, renewables have shown remarkable resilience. Renewable power was revealed as the supply of choice, notably for its abundance and low operating costs. New projects came online with capacity additions in 2020, reaching record 261GW³, accounting for 82 per cent of net capacity additions to the global energy mix. The crisis was also a test case for renewables-based electricity, debunking myths around reliability of systems with high shares of wind and solar. The economic, social and environmental case for a new energy system has become abundantly clear.

³ Renewable Capacity Statistics 2021 (March 2021). <https://www.irena.org/publications/2021/March/Renewable-Capacity-Statistics-2021>

10. IRENA's World Energy Transitions Outlook⁴ (WETO) emphasises the limited time available to turn towards resilient energy systems in support of inclusive economies and societies. The technology solutions to rapidly advance energy transitions already exist. Which way the world will now go depends on policymaking and investments, most immediately through COVID-19 recovery packages. WETO provides a pathway for the deployment of available technologies enabled by policy frameworks and reinforced by socio-economic footprints to direct a just and inclusive way forward. It shows that a 1.5-degree world requires wide-reaching action, which needs to be appropriately planned to maximise benefits and carefully manage adverse impacts.
11. The shift in the energy mix necessary for achieving objectives set out in the 2030 Agenda for Sustainable Development and the Paris Agreement is not an accomplished fact. Renewable technologies have yet to make sufficient inroads into the end-use sectors, such as direct heat, buildings and transport. While ambitious targets continue to be set, these are yet to be translated into effective policy and regulatory frameworks. Ultimately, investment in a comprehensive transformation involves not just a mix of technologies but also the policy package to put them in place and optimise their economic and social impact is required.
12. Renewables-based energy transitions can be a powerful equaliser in the world where disparities and gaps between communities, nations and regions continue to widen. How the world emerges from this crisis will define our shared future. Governments have immense opportunity and responsibility to shape the way out of the economic downturn. Whether these decisions in the short-term include renewables-based energy transition will determine the ability to achieve the 2030 Agenda for Sustainable Development and secure a fighting chance for a 1.5-degree world. The stakes cannot be higher, and the sense of urgency is palpable. The science is clear on what lies ahead, and policy commitments and technology developments are starting to move markets and investments. The question now is how to accelerate the transition to meet multiple objectives in a just, inclusive, and systematic manner.
13. It is with this backdrop that IRENA is developing its priorities for the next programmatic cycle. The challenge before us is to stay focused on the long-term vision but remain responsive to Members' immediate priorities so that the Agency can both reflect and influence the tumultuous times in which we operate.

III. Priorities for the 2022-2023 Programmatic Cycle

14. The global prioritisation of energy transitions is a welcome development. In contrast to IRENA being a near-lone voice of renewables only a few years ago, there are now a greater number of players in the energy transitions landscape. While this is welcomed, it is of increasing importance to draw on the Agency's comparative advantages to best serve its Membership and avoid duplication of work. While several traits are unique to IRENA given its relatively recent establishment, the most pertinent remain its global Membership and clarity of purpose.
15. IRENA today is a melting pot of countries from all over the globe, ranging from the most developed through the transitional and blossoming emerging economies to small islands fighting for survival. Each Member will have its own set of priorities, abilities and needs. What binds them together within IRENA is the Agency's forward-looking mandate and clear purpose to drive the renewables-based energy transition worldwide. IRENA's global reach is its greatest asset, and Member participation will continue to be mainstreamed in the programmatic work through Collaborative Frameworks and other innovative approaches.

⁴ World Energy Transitions Outlook: 1.5C Pathway (preview) (March 2021)
<https://irena.org/publications/2021/March/World-Energy-Transitions-Outlook>

16. Moreover, IRENA will continue to form partnerships with international organisations and other entities, especially those who can provide the link to the implementation of necessary actions. This includes a close and growing cooperation with the private sector, whose ingenuity and resources are critical for the success of the development and climate agendas. In this regard, IRENA will also seek to engage with oil and gas sectors, given that a renewables-based energy system also offers opportunities for their own transition.
17. It is evident that all countries wish to move rapidly toward resilient energy systems to underpin their economic, social and climate priorities. IRENA's significant intellectual capital accumulated through programmatic work and interaction with countries, and growing credibility and authority based on substantive products makes it an asset in the global energy discourse. In the cacophony of messages in this transitional period – inevitably confusing, even contradictory – IRENA will strive to set itself apart with clarity of message, analytical rigour, participatory approach and agile programming. The Agency will firmly focus on accelerating a renewables-based energy transition worldwide to support all Members in rapidly moving toward modern systems that embrace progress and leave no one behind.
18. The energy transition's agenda is extensive, so IRENA's theory of change will be guided by the pathway outlined in WETO. This means that all programmatic activities will in some way contribute to the pathway depicted in WETO, which will remain a living framework, refined and updated on an annual basis. Such an approach will help focus programmatic activities in the coming two years and ensure they contribute to the global commitments enshrined in the 2030 Agenda and the Paris Agreement.
19. Programmatic activities will continue to span the analytical, empirical, and country support, underpinned by partnerships and collaborative arrangements. Most of all, they will be measured by their impact on real-life and value-added at the local, regional, and global levels. WETO will be translated into meaningful programmatic activities to fill knowledge gaps, help shape the immediate steps for just and inclusive transitions and drive investment at scale toward renewables-based energy system worldwide.
20. The Preliminary Framework reflects the direction for the coming two years to reaffirm IRENA's leading role in the global energy landscape. Considering the ongoing economic downturn and the current trajectory of the energy transitions, the programmatic priorities for the upcoming biennium will place increased focus on:
 - Regional energy transition strategies;
 - Just, inclusive and systemic transition; and
 - Targeted investment toward resilient energy systems.
21. **Regional energy transition strategies.** WETO provides a comprehensive global picture, but its realisation requires more granular assessments and investment frameworks. IRENA has long prioritised a regional approach to energy transitions to facilitate the deployment of a diverse mix of renewable energy sources, overcome market barriers and increase security of supply. Regional cooperation remains a crucial element for bringing about the necessary flexibilities, efficiencies, and economies of scale for renewables-based transitions. Adopting an integrated approach to transboundary issues such as energy trade, regulatory frameworks and policies, and regional infrastructure allows countries to benefit from leveraging regional resources and maximising local capabilities. Such a regional framework can also promote competitiveness in the climate-safe global economy and support emerging value chains such as green hydrogen. IRENA will pursue Regional Energy Transition Outlooks (RETOs) to provide coherent technology, policy and socio-economic frameworks for impactful investment that creates jobs, industrial value additions, and inclusive and healthy societies.

22. **Just, inclusive, and systemic transition.** The ongoing health crisis has provided insights into the consequences of the climate crisis. The impacts of both know no borders: both put the poor and vulnerable at greater risk; and both demand government action on an unprecedented scale. Policy makers now have a unique chance to reassess the energy options available to them and consider how investment in the renewables-based transitions can contribute to long-term prosperity, resilience, and well-being. IRENA will spearhead a fresh approach to energy transition to instill systemic change that promotes inclusion and empowerment, and effectively manages adverse impacts. Programmatic activities will also focus on clarifying the impact on different options, to help countries make forward-looking, safe and strategic choices.
23. **Targeted investment toward resilient energy systems.** While many countries are making major strides in transitioning toward renewable systems, there are significant barriers to investment at scale, particularly in developing countries. These barriers are well known; nevertheless, they persist. Overcoming these will be the single most crucial factor in the ability of developing countries to transform their energy systems at the necessary pace and rapidly reduce energy poverty that hinders sustainable livelihoods and progress. IRENA will therefore continue to facilitate a pipeline of bankable projects rooted in a stable policy and regulatory framework and supported by de-risking mechanisms. New investment and financing instruments, including climate finance, are coming on-stream and IRENA will help channel these resources toward renewable energy. Countries, companies and financing institutions will be connected through the Climate Investment Platform (CIP), guided by the Regional Energy Transitions Outlooks and supported by capacity building and matchmaking activities of Investment Forums.

IV. Work Programme Framework for 2022-2023

24. In the feedback received on programmatic priorities, Members called for IRENA to actively pursue its leading role in the transformation of the global energy system, aligned with its renewables-centric mandate. They also noted the ongoing health crisis and ensuing economic downturn and called for an assertive programmatic agenda that provides cutting-edge analyses, practical support to countries and a strong voice in the global energy discourse. Accordingly, the Framework seeks to rebalance programmatic focus to better respond to current and new priorities, while ensuring a sound knowledge and analytical base and the necessary agility to respond to change.
25. An essential underpinning of these substantive priorities will be continuous focus on institutional excellence. Several tools have been introduced to promote cross-divisional cooperation and consolidation of activities to leverage diverse internal expertise and focus on fewer, but more impactful outputs. These strong internal linkages, along with close consideration of external partnerships, will guide the elaboration of the Work Programme and Budget for 2022-2023.

a. Centre of Excellence for Energy Transformation

Objective: Empower effective policy and decision-making by providing authoritative knowledge and analysis on renewables-based energy transformation at global, national and sectoral levels.

26. The ongoing change in the global energy system has many drivers, but the pathways to achieve desired goals share many common features that ultimately must meet the needs of resilient economics and societies. WETO stressed that energy transitions can no longer be limited to partial efforts or incremental steps. These must become a transformational effort, a system

overhaul, guided by far-reaching policy frameworks and based on the rapid upscaling of available technologies while innovating for the future. WETO conveys that the emerging energy system must promote a more inclusive and equitable world, resilient to economic and environmental shocks. It also highlighted the opening for the governments to decisively act through their responses to the ongoing economic downturn.

27. To support countries in this effort, IRENA's work as a Centre of Excellence for Energy Transformation will continue to refine, update and improve the flagship analytical and empirical products to provide comprehensive and timely information, evidence and recommendations. A critical input into this work will come from Members and others who participate in the energy transitions. In this regard, IRENA will continue to evolve Collaborative Frameworks as a key avenue for engagement, exchange of best practice and wide-ranging contribution.
28. WETO – comprising technology, policy, socioeconomics and finance pathways – will remain a core analytical product. In the next biennium, it is envisaged that several Regional Energy Transition Outlooks will be developed to support the alignment of regional recovery strategies and investments with mid- and long-term development and climate goals. WETO will be supported by several other flagship analyses including in the critical areas of innovation, just and inclusive transitions, and geopolitics to stay abreast of the latest developments and anticipate change in support of informed policy making. Progress in the energy transition will be observed through multiple lenses including IRENA's annual statistics, costs, jobs reviews, finance and technology indicators. This work will continue to feed into the tracking of SDG7 on energy and the 2030 Agenda for Sustainable Development.

b. Global Voice of Renewables

Objective: Shape the global discourse on energy transformation by providing relevant, timely, high-quality information and access to data on renewable energy.

29. The multidimensional nature of the energy transitions reflects the need to achieve simultaneous progress on many fronts. Energy systems across countries are unique to local circumstances, economic structures and socio-economic priorities. The ongoing health and economic crisis also crystallised the potential blind spots of the energy transitions, exposing gaps and vulnerabilities in provisions of essential services across the world. The crisis showed that energy that is unreliable causes uncertainty; energy that pollutes incapacitates and kills; energy that is too costly alienates and isolates. Crucially, for the transitions to truly have a positive impact, justice and fairness must be at the heart of planning and action.
30. In all cases, poor energy choices mean unsustainable economies and potentially irreparable damage to the very ecosystems that sustain all. IRENA will therefore spearhead novel approaches to energy transitions, in line with the immense opportunities identified in WETO, but focused on specific elements of high interest to Members. Considering the extremely challenging times in which governments are making highly consequential decisions, IRENA will be a strong voice of renewables to provide clear messages, timely advice and compelling evidence. High priority will be placed on holistic policy making in the pursuit of a just, inclusive, and systemic transition. IRENA will consider how renewables-based energy transition can support a structural shift for greater equality, within and between regions and with improved outcomes for all economies and societies. This will include analyses of decentralised solutions to rapidly reduce energy poverty and offer sustainable livelihoods and participation in the climate-resilient global economy.

31. The focus will continue to be placed on the integration of variable renewables in the power system, given the ambition and necessity for the deployment of varied solar and wind technologies. Analyses of renewables in end-use sectors, including transport, heating and cooling remain of high relevance. In this regard, electrification of end-use will be considered from many angles, given its importance in the global decarbonisation effort and the potential for leapfrogging solutions in countries yet to evolve the necessary infrastructure. With the advent of green hydrogen, work will expand across technology, costs and policy along the global and regional value chains. Similarly, sustainable bioeconomy will require deeper analyses in view of its long-term importance.
32. Renewables-based energy transitions will be considered from multiple angles to address technology solutions and innovation, power market and policy design, regulatory frameworks and business and financing solutions, as well as the impact on non-energy sectors. Building on the work to date and based on Member feedback, specific topics will also include environmental impacts and life-cycle assessments, circular economy, quality infrastructure, critical minerals, storage, digitalisation, and AI among others. IRENA's pioneering work on gender in energy will be strengthened, along with deeper analyses on renewables solutions for cities and rural communities.
33. IRENA will step-up proactive communication and outreach as an underpinning of its role as the Global Voice of Renewables. The focus will be placed on strategic leadership to define and disseminate key messages and knowledge products. IRENA will cooperate with communications and social media actors who can help to amplify reach and better target audiences for more significant impact. In this regard, multilingualism will be used as a tool to disseminate knowledge and enable greater participation in programmatic activities. IRENA will also continue to proactively seek to engage with Members to leverage respective capabilities and reach to new and diverse audiences.

c. Network Hub

Objective: Provide an inclusive platform for all stakeholders to foster action, the convergence of efforts and knowledge sharing for impact on the ground.

34. New forms of collaboration that cross traditional boundaries including national, public-private and cross-industry will be required to tackle the challenges ahead. In the current biennium, IRENA has made a concerted effort to widen the range of partners. Effective collaboration has been established with UNDP and NDC Partnership in the context of NDCs and this will continue in support of the implementation of ambitious strategies. This will involve the development of long-term strategies and IRENA will continue to grow its Long-Term Energy Scenarios Network to promote learning and exchange of best practice.
35. It is anticipated that new action-oriented partnerships will emerge from the UN High-Level Dialogue on Energy and COP 26. IRENA will seek to effectively leverage these for a greater momentum and real-life impact. Activities will continue across all regions aligned with the action agendas already in place and refined to support the recovery efforts and emerging priorities. Regional Energy Transitions Outlooks will play an important role in this regard, as they become gradually available for different regions.
36. IRENA has significantly accelerated its engagement with the private sector, in line with the guidelines promulgated in 2020. In the next cycle, the private sector collaboration will be sustained to grow the engagement of these important constituencies. This engagement will be pursued through the existing platforms, including Collaborative Frameworks, the Climate

Investment Platform (CIP), and the Coalition for Action, but also through innovative approaches to engage those who need to transition, such as large energy consumers and fossil fuel companies.

37. IRENA will continue its flagship climate initiatives SIDS Lighthouses and Global Geothermal Alliance, as well as the collaboration on off-grid renewable energy deployment through the IOREC platform. The Agency will seek to effectively engage stakeholders who need to play a role in energy transition including innovators, legislators, entrepreneurs, youth and citizens. Coalition for Action remains a key constituency and its work will be leveraged across different programmatic areas. IRENA will also actively contribute to the efforts of others, in line with its collaborative approach developed in the current programmatic cycle, especially with implementing entities who can help realise change on the ground. This will include a network of local experts and stakeholders who are best placed to sustain long-term effort.

d. Source of Advice and Support

Objective: Support country-level decision-making to accelerate the renewables-based transformation of their energy systems, advance strategies to decrease global emissions and achieve sustainable development.

38. Countries approach energy transition with different starting points and various structural, economic, social and institutional particularities. They therefore require concrete, objective and targeted advice and support and IRENA has filled an important gap in this regard. Building on the work to date and continuous analytical excellence, IRENA will continue to provide advice and support to countries leveraging its added value. These will be in direct response to requests received from Members and aligned with the priorities of renewables-based energy pathways outlined in WETO and RETOs.
39. In the current programmatic cycle, IRENA has adjusted its internal structure to provide closer links between its analytical and country support work and streamlined external engagement through consistent entry points. This adjustment has further clarified several distinct areas where IRENA advice and support were most needed to support countries with their energy transitions priorities. Renewable Readiness Assessments (RRAs) and roadmaps remain such priorities, enriched with strategies for regional integration, investment, job creation and industrial development. Targeted technical advisory and capacity building support continues on issues such as data collection, energy planning, grid integration, project facilitation, job creation and nexus with health, food and water among others. IRENA's established tools and methodologies will therefore continue to be deployed, with the special effort to their dissemination and long-term use by local stakeholders. Support at the regional level will be prioritised to support integrated markets for accelerated energy transitions and high share of renewables.
40. One of the key reasons for the development of Regional Energy Transition Outlooks is the provision of investment frameworks to orientate government and private sector activities. IRENA's work in the Climate Investment Platform will be closely aligned with these investment frameworks. In the current programmatic cycle, IRENA has operationalised the Climate Investment Platform along 14 geographical clusters. Given the pandemic, many plans have been hampered. Nevertheless, the Platform has attracted over 250 partners to date with over 200 projects which are gradually starting to be matched with risk-mitigation and financing entities. This indicates that the Climate Investment Platform is filling a gap in the current landscape and, as the conditions improve, IRENA will actively pursue its full implementation. This will include Investment Forums to convene governments, project developers, investors, financing institutions and other stakeholders to pursue enabling framework strategies and project facilitation matchmaking.

41. IRENA successfully completed its work on the IRENA/ADFD Project Facility in 2020. Since then, significant work is underway to design a new facility in collaboration with ADFD. During the next biennium, it is expected that the new facility will be launched, its partner base will be finalised, and it will be operationalised based on the concept of soft commitments and pledges. To support project facilitation, IRENA will also upgrade and deploy diverse tools, including the Project Navigator, Open Solar Contracts and other risk mitigation tools. Special effort will be made to support LDCs and SIDS in accessing sustainable finance.

V. Budgetary and Management Considerations

42. Core budget remains the backbone of the Agency's financial stability, and its development for the next cycle will reflect the views expressed by Members in their feedback. A predictable flow of non-core contributions will be necessary to allow the expansion of programmatic activities and strengthen the quality and depth of the activities implemented with core resources. IRENA will thus continue to seek new and innovative ways to secure a stable and adequate resource base to deliver on the ambition set out in the MTS and the Framework for 2022-2023. The next Programme will also benefit from multi-year voluntary contributions already provided to the Agency or which are in the process of developing. Members' suggestions and ideas on further diversification of the resource base would be welcome.
43. Diversification of the Agency's resource base will, in great part, depend on Members' confidence in its effectiveness of programmatic delivery, soundness of management practices, accountability in the use of resources and transparency in reporting. IRENA is also analysing the impact of the pandemic on its operations to understand what best practice should be mainstreamed and where virtual practices hampered impact.
44. IRENA is in the process of operationalising a monitoring and evaluation system, stemming from several new internal systems and the outcome of the 2020 external evaluation. Internal monitoring is strengthened through the annual Directive that granulates implementation, provides greater visibility of progress and promotes efficiencies. IRENA is also adopting a theory of change model for impact monitoring of its programmatic delivery in line with the priorities and strategies of WETO.