

INTERNATIONAL RENEWABLE ENERGY AGENCY

Second session of the Assembly
Abu Dhabi, 14 – 15 January 2012

Fund for Developing Country Representatives (FDCR)

**The establishment of a Fund to facilitate the participation of representatives of
developing countries in IRENA meetings**

Report of the Director-General

1. This report has been prepared by the Director-General of the International Renewable Energy Agency (IRENA) pursuant to a request from the Council at its second meeting to “*prepare a report on the establishment of a fund to facilitate the participation of representatives of developing countries in meetings of IRENA*” (C/2/SR/L.1).
2. At the request of the Council, the present report is submitted in preparation for the second session of the Assembly.

I. Background

3. At the first meeting of the Finance Committee of IRENA on 12 November 2011, committee members discussed the matter of establishing a fund based on Financial Regulation 9.4 (A/1/DC/6) to fund the participation of developing country representatives in IRENA meetings. So far, the participation of some developing countries has been supported by the host government of the Agency. The host country has agreed to extend its support, until and including, the second session of the Assembly.

4. During the discussions at the Finance Committee, some committee members stressed that the matter required further consideration and that different options needed to be explored, taking into account existing practice at other institutions. Committee members further suggested to also consider the obligations that the establishment, and ongoing administration, of such a fund would have for the Secretariat.

5. Based on the deliberations of the Finance Committee and further discussions, the Council at its second meeting, requested the Secretariat to prepare a report on the establishment of a fund to facilitate the participation of representatives of developing countries in meetings of IRENA which would address possible modalities and procedures for funding, the approximate cost per participant, as well as the workload that the establishment of such a fund would represent for the Secretariat.

II. The establishment of a fund

6. A review of existing practice at a number of intergovernmental institutions has indicated that, in some cases, travel assistance is provided through a separate budget line within the organisation's core budget¹. Basing the fund on the core budget of the Agency may however be an unattainable proposition. The Statute states in Article IX.C. that, in the case of the Assembly, *"the costs of a delegation's participation shall be borne by the respective Member"*.

7. However, the accomplishment of the mission of IRENA, and the achievement of its objectives in the promotion of the *'widespread and increased adoption and the sustainable use of all forms of renewable energy'*, necessitates the broadest possible participation of all IRENA Members in the Agency's decision making processes. The establishment of a fund based on voluntary contributions would encourage the participation of all Members in the annual sessions of the Assembly, as well as of all Council members in its bi-annual meetings. It is noteworthy in this regard to refer to Statute Article X. A. which emphasises the importance of ensuring the effective participation of developing and developed countries and achieving fair and equitable geographical distribution and effectiveness in the Council's work.

8. Establishing an independent fund, based on voluntary contributions and not affecting levels of core budget, would allow Members of IRENA to assist other Members in engaging in the decision making processes of the Agency and would result in a high level of inclusiveness, ownership and transparency in the activities of the Agency. The effective participation of both developed and developing countries in the work of IRENA will continue to be one of the major strengths of the agency.

¹ This is for example the case for the sessions of the UN General Assembly or the meetings of the World Health Assembly.

9. The Secretariat has thus been requested by Members to explore possible modalities of establishing a fund dedicated to extending support for the participation in IRENA meetings to representatives of developing countries.

III. The framework of the fund to be established²

10. This fund will be established and administered as a Trust Fund according to Financial Regulation 9.4. Trust funds are accounts established with specific terms of reference or under specific agreements to record receipts and expenditures of voluntary contributions for the purpose of financing, wholly or in part, the cost of activities consistent with the organisation's aims and policies. Trust funds contain extra budgetary resources which are provided to organisations on the basis of specific agreements with donors for specific purposes. Their receipt and expenditure are accounted for and reported to the donors separately until, if applicable, final disposition of all funds and the closure of the trust fund. Trust funds are charged for programme support to cover the administration and implementation of the activities for which the trust funds have been established.

11. The trust fund for travel assistance to developing countries would be established by the Director-General at the request of the Assembly. The fund would be administered in accordance with the applicable Financial Regulations and Procedures, and other applicable directives and guidelines.

IV. Review of existing funding regimes

12. The Secretariat has carried out a review of existing funding mechanisms in other international organisations. This review has shown that different regimes for providing travel assistance to delegates are in place internationally, with elements of the framework varying from institution to institution.

a) Beneficiaries

13. Beneficiaries of travel assistance differ from institution to institution: Some institutions disburse travel assistance to Least Developed Countries, as per the United Nations definition only (UN General Assembly meetings, World Health Organisation); others cover Least Developed Countries, Small Island Developing States as well as Landlocked Developing Countries (International Criminal Court, UNFCCC, UN informal Consultative Process on Oceans and the Law of the Sea); others define countries as per criteria related to the mandate of the institution or by donors (Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol).

² Based on Financial Regulation 9.4 (A/1/DC/6) and Financial Procedure 109.1 (A/2/L.X)

b) Donors

14. In institutions where travel assistance is not covered by the core budget, donors of voluntary contributions include states, international organisations, regional economic integration organisations, individuals, corporations, other entities (Convention on Biological Diversity, International Criminal Court, UNFCCC, Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol).

c) Coverage

15. Regimes also vary in terms of coverage: number of delegates covered per delegation, provision of Daily Subsistence Allowance (DSA), flight ticket class, participation in the meetings of the main decision making body only, or also its subsidiary organs.

V. Resource requirements - Travel support and DSA

16. The Annex to this document provides preliminary estimates on possible resource requirements for funding the participation of developing country representatives in IRENA meetings, based on a number of criteria and modalities outlined in VII below.

VI. Resource requirements - Administration of the fund

17. At its second meeting, the Council requested the Secretariat to address in its report the workload that the establishment of the fund would represent for the Secretariat.

18. Administration of the fund and management of the overall funding regime would initially require the following tasks, among others:

- a. Monitoring and recording of contributions to the fund;
- b. Preparing acknowledgment of receipt of contributions;
- c. Reconciliation of fund statement;
- d. Preparation of financial report;
- e. Liaising with donors and with beneficiaries;
- f. Preparation of documentation for the release of funds and other arrangements required for travel of beneficiaries.

19. Taking into account that as per the Statute, one Assembly session as well as two Council meetings are held per year, it is estimated that 12 work-months of a General Service staff would be required for the administration of the fund, as well as the processes entailed. The annual staff cost is estimated at \$82,700, not including related non-staff costs.

20. As per Financial Procedure 109.1 (c) the fund would provide for the programme support cost from which the cost of the staff and other non-staff costs such as office space, computer, telephone services, supplies and materials will be charged.

VII. Recommendations of the Director-General

21. Based on a review of existing practice, the Director-General recommends that:

22. The Assembly decide to approve the establishment of a Fund for Developing Country Representatives (FDCR) to facilitate the participation of representatives of developing countries in IRENA meetings, based on the below criteria and modalities:

- Eligibility for funding will currently be limited to Members of IRENA that fall under the category of Least Developed Countries (LDCs), and Small Island Developing States (SIDS).³ Non IRENA Members from LDCs and SIDS will be exceptionally funded until, and including, the third Assembly. Following the third Assembly only IRENA Members (LDCs and SIDS) will be eligible for funding.
- Travel related to meetings of IRENA's governing bodies (Assembly, Council, as well as subsidiary organs) will be covered by the fund; in the case of the Council and subsidiary organs, only members of these bodies will be eligible for funding.
- Funding will cover the head of delegation plus one alternate. Funding will include airfare, daily subsistence allowance (DSA), and terminal expenses. DSA will be disbursed, based on actual presence, after the closure of the meeting.
- Payment of travel expenses will normally be limited to the cost of economy class travel for journeys less than nine hours' duration, and business class for travel of more than nine hours. Tickets will be booked through IRENA on the shortest and most economical route.
- Due to the voluntary nature of contributions and the uncertainties related to levels of funding, support to delegations will depend on available funds for each meeting, and funds will be equally allocated to all eligible delegations.

³ LDCs and SIDS as per UN definition

Resource requirements - Travel support and DSA

Based on the criteria and modalities outlined in the recommendations of the Director-General, a preliminary estimate of costs is as follows:

1. The approximate cost for the participation of one delegate in a session of the Assembly is estimated between USD 4,700 and USD 15,400, depending on the cost of air fare (covering airfare, DSA and terminal expenses).
2. The total cost of funding requirements, with the current membership of the Agency, is estimated at an average of USD 708,300 annually, based on an Assembly session, as well as two Council meetings, and no meetings of subsidiary organs.
3. The total cost of funding, with the current membership, based on an Assembly session, two Council meetings, as well as an average of four committee meetings is estimated at an average of USD 976,400 annually.
4. Funding requirements are estimated at USD 1,085,800 annually, if all members of the United Nations became Members of IRENA (on the basis of an Assembly session and two Council meetings).
5. Funding requirements are estimated at USD 1,353,900 annually if all members of the United Nations became Members of IRENA (on the basis of an Assembly session, two Council meetings, and an average of four committee meetings).