

INTERNATIONAL RENEWABLE ENERGY AGENCY

Third meeting of the Council

Abu Dhabi, 05 – 06 June 2012

**Decision on the establishment of
the Working Capital Fund of IRENA**

The Council,

Recalling Financial Regulation 9.5 on the Working Capital Fund, as well as Financial Regulation 4.5 on cash surplus, and Assembly decision A/1/DC/8 on the Work Programme and Budget for 2011;

Aware that more than 60% of contributions to the 2011 core budget were received in the third quarter of 2011, and *mindful* of the resulting cash flow challenges in 2011 as well as possible challenges in the coming years, especially at the beginning of the year;

Noting the cash surplus of USD 2.8 million at the end of 2011, as reflected in the Audited Financial Statements of the Agency for 2011, the 2009 operating reserve balance of USD 0.3 million, and the 2010 operating reserve balance of USD 0.8 million;

Desiring to ensure the continuity of the momentum in programme implementation, through predictable funding, and a reliable and stable cash flow at the early stages of the Agency's activities, after approval of the annual budget;

Decides to recommend to the Assembly:

1. that it establishes the Working Capital Fund of IRENA at a level of USD 1.6 million at its third session;

2. that advances to the Working Capital Fund from Members are made in accordance with Financial Regulation 9.5 and 6.6 (b);

3. that the 2011 core budget cash surplus and, where appropriate, the Preparatory Commission's 2010 operating reserves apportionment, are to be first credited as advances from Members to the Working Capital Fund, where advances may remain unpaid, and the then remaining balance is applied to outstanding 2013 contributions in accordance with Financial Regulation 4.5.