

INTERNATIONAL RENEWABLE ENERGY AGENCY

Twelfth meeting of the Council

Abu Dhabi, 1 – 2 November 2016

Report of the Director-General**IRENA Staff Tenure Policy**

1. The Staff Regulations and Rules, endorsed by the IRENA Assembly, establish a seven-year limit to the length of service of staff with IRENA. At the ninth and tenth meeting of the Council, the Council, on the basis of the report of its Administration and Finance Committee (AFC), considered the impact this limitation in the duration of service has on staff and on the Agency. At its eleventh meeting, the Council requested that the AFC Chair, in consultations with the Director-General, takes the matter forward in order to provide the Council at its next meeting with an analysis on human resource trends, operations and considerations. This would also include concrete recommendations to be reviewed at that meeting and presented to the seventh Assembly session for decision in order to bring this matter to a successful close.
2. The present report contains a note from the AFC Chair including his recommendations, as well as analysis on human resource trends, operations and considerations provided by the Secretariat.

I. Note from the Chair of the Administrative and Finance Committee regarding the IRENA Staff Tenure policy

3. This is submitted in response to the Council request that the AFC Chair, in consultation with the Director-General, provides an analysis of, and recommendation on the current staff tenure policy, for the Council consideration at its twelfth meeting.
4. IRENA tenure policy, stipulated in the Staff Regulations adopted by the IRENA Assembly, established a policy whereby the length of service of IRENA staff is limited to seven years (hereafter “the Tenure Policy”). At its ninth and tenth meetings, the Council, on the basis of the report of the Administration and Finance Committee, considered the impact this limitation in the duration of service would have on the Agency and its staff. The Council decided to address this matter at its eleventh meeting (see C/10/SR/L.1, paragraphs 117 to 119). The ‘Note of the Director-General on the IRENA Staff Tenure Policy’ (C/11/3) was submitted to the Council for its consideration during its eleventh meeting. The note provided an overview of the situation and presented two options on the way forward for consideration by the Council.

5. Having considered the matter, the Council requested that the AFC, in consultation with the Director-General, “*take this matter forward to provide the Council at its twelfth meeting with an analysis, including staffing trends, and recommendation for decision and to bring this matter to a close*”.

6. In response, the Chair of the AFC has liaised and coordinated with the Director-General to review the results of the analysis conducted by the Secretariat; the currently available statistical information relating to the turnover, retention and recruitment of Secretariat staff; and the implications that staff turnover will have in conjunction with the current Tenure Policy and approaching time limit threshold of seven years of service.

7. The Chair consulted with Members engaged in the work of the AFC to gather their views, and facilitate understanding of issues at hand, in order to develop a strategic approach to resolving the issue. During this process, the Director-General provided data and analysis, enclosed in this report. Key points stemming from this information include:

- a. As of August 2016, 84 of the authorised 90 core posts are encumbered or under recruitment. Even with the almost full component of staff, core resources are lean and have to be carefully considered so as not to deplete the essential programmatic and support functions.
- b. The rotation rates being experienced by the Agency over the past three years are in excess of 16% annually. This equates to a departure of 14 or more core staff per year. If the rotation rate continues at this level for the next four years, more than 50 of currently serving staff will have departed the organisation by 2020.
- c. If applied, the current tenure policy would necessitate the departure of 39 currently serving staff between 2018 to 2020, representing 43% of the current core work force. The departures of these staff would impact the divisions/offices throughout the Agency, and would negatively affect the delivery of the Agency’s programmatic activities.

8. The effective turnover rate of over 16% of the core staff per year has ensured a continual influx of new skills and talent. This also highlights the need to carefully balance this influx with the retention of staff to preserve the institutional and historical knowledge of the Agency. The current turnover rate, combined with the approaching seven-year limit on service for staff may adversely impact the organisation’s ability to effectively carry forward its mandate.

9. There was a clear and unanimous agreement that the first and foremost priority for all Members is the interest of the Agency. The majority of Members who participated in the consultations carried out pursuant to the Council request were in favor of a complete elimination of the current tenure policy, considering the Agency’s size and human resources trends. Some others were open to change, but were not in a position to make specific suggestions on alternatives, indicating the need for more time to monitor the Agency’s human resources trends and the availability of additional statistical information as experience is gained by the organisation. Furthermore, it was clear that any decision taken should have no additional

budgetary or other burdens on the Agency.

10. Based on the above, it is recommended that the current seven-year tenure period be waived for all currently serving staff. The seven year term will be re-instated for all staff following the decision of the 7th Assembly. This measure would ensure the continued effectiveness of the Secretariat and alleviate the immediate risks, while providing for a more substantial period of time to assess the staffing trends experienced in the Agency. The Secretariat has confirmed that the one-time waiver does not have implications on any other aspects of HR, including in terms of the length of contracts, staff provident fund regime or staff entitlements. Furthermore, there would be no increased financial implications due to the waiver of the current tenure period.

11. It is also recommended that the Tenure Policy be kept under review and re-examined at a later date. To facilitate its consideration in the future, it is recommended that the Director-General reports on staffing trends on a regular basis, with the view to a more detailed review in sufficient time to take a final decision prior to the expiration of the next seven-year period.

II. Background on human resource trends, operations and considerations

12. In order to accomplish its multifaceted mission, IRENA requires a diverse mix of staff with a range of technical, managerial and operational skills and abilities. IRENA strives to attract staff of the highest caliber, who are fully conversant with the subject matter and understand the complex circumstances which impact/effect the further expansion of renewable energy solutions on the micro and macro global scene. Whether in terms of the Agency's support to individual countries, the coordination of international meetings, or in terms of the further development of knowledge and its dissemination, the organisation requires the ability to both attract and retain the correct mix of staff.

13. IRENA has a lean structure and workforce, with a core staffing component of 90 posts. The vacancy rate has dramatically decreased, with near-complete workforce in place. The dramatic fall of the vacancy rate from over 40% in 2012 to some 7% today reflects the pace of the development of the Agency. The human resources focus of the foundational years was on recruitment and, as the vacancy rate decreases, this focus is gradually being shifted toward strategic aspects, such as performance management, forecasting of needs, and how to attract and retain high performers.

14. Experience to date has shown that the current turnover of staff is on the high end of the averages compared to the other international organisations. While this turnover enables a skill refreshment and alignment, it also needs to be carefully managed to ensure that IRENA's substantive experience and historical knowledge remains a foundation of its future progress. This is also essential for the Agency's ability to effectively maintain engagement with Members and other stakeholders over the longer term.

15. It has become increasingly apparent that the seven-year tenure limit may not be the most suitable human resources policy due to the size and knowledge-based mandate of the Agency. However, it is acknowledged that the Agency has not yet had sufficient time and experience with its human resources systems and policies to determine the appropriate strategies and solutions. As noted in the Work Programme for 2016-2017, *“To effectively deliver its programme, IRENA needs to remain dynamic, agile, innovates and results focused. As the Agency matures, workforce planning becomes more important as natural attrition is likely to occur due to the inherent limitations to career advancement within a relatively small organisation. A comprehensive workforce strategy will be institutionalised in the next cycle.”* (A/6/4, para 18)

Considerations

16. The Agency has only five years of experience in terms of determining its ability to attract and retain the appropriate mixture of staff in the various leadership, programmatic and administrative functions. The short duration for which statistics are available, does not enable the Secretariat to meaningfully ascertain the prevailing human resources trends. Indications are however that the current high turnover figures (16 to 17% annually) are indicative of these trends, since these rates have been consistent for the past three years. In considering the implications of the upcoming tenure term, a range of issues have been considered.

17. Size of the Agency. The Work Programme and Budget for 2016-2017 provides for 90 core posts for programmatic, managerial and support functions. The Agency’s lean structure translates into the assignment of a limited number of staff in different functions, which at times could be only one person occupying a core post. This adds a level of unpredictability which is further adversely affected by the tenure policy.

18. Staff attrition rates: Attrition rates for the Agency have been monitored since its inception. For the period from 2014 to the present, there has been a nearly constant 16.7% annual turnover rate of staff (17% for 2014 and 16% for 2015 and 2016). This is a significant attrition rate and should it continue, it would result in a departure of approximately 15 core staff on an annual basis or nearly 60 core staff in the next four years.

19. Staff tenure policy: The above mentioned attrition rates are further compounded by the seven-year tenure limit on serving staff. If applied, none of the staff who have institutional knowledge of the inception of the Agency will be on board after 2020, even if the two-year extension authority is applied by the Director-General. Furthermore, combined with the attrition rates, it can be assumed that fewer than 35% of currently serving staff would be on board with the organisation as of the end of 2020.

20. Programmatic Implications: With regard to the staff attrition rates, the rate of departures of staff is consistent across the organisation with regard to staff who are internationally recruited. It is acknowledged that there is less turnover of personnel for those recruited locally, principally the staff in the General Services (GS) category. The impact of the approaching tenure limit is significant across the Agency as depicted in the

annex. Considering the lean staffing structure of the organisation, this may significantly deplete the resources available to carry out the work programme of the Agency.

21. Practices of other international organisations. The Secretariat had conducted extensive research into the experience and practices of other international organisations which have instituted tenure policies, including CTBTO, IAEA, OECD, OPCW, and OSCE. In each instance, the organisations have developed a range of practices and policies that supplement the original tenure policies to reduce the impact of the term limits. Some of the measures include: the exemption of various categories of staff; the provision of greater discretionary authority to the executive head to extend contracts beyond the tenure period; the ability to separate from the organisation and to be reemployed at a subsequent date; and, the development of different contractual arrangements (continuing/open ended appointments) to co-exist with contracts subject to tenure.

22. IRENA has a lean and flexible workforce and the experience of the past five years has demonstrated that the organisation has more than sufficient turnover in order to achieve and maintain a constantly rejuvenated workforce. The supporting data demonstrate that the current turnover of staff allows for a nearly constant influx of talented and skilled personnel and that trend appears to be valid into the future. The workforce planning therefore should place the main focus on the aligning of the staff skillset with the programmatic priorities; attracting and retaining highly qualified and diverse mix of staff; and ensuring excellence in the performance.

Annex: Human Resources statistics

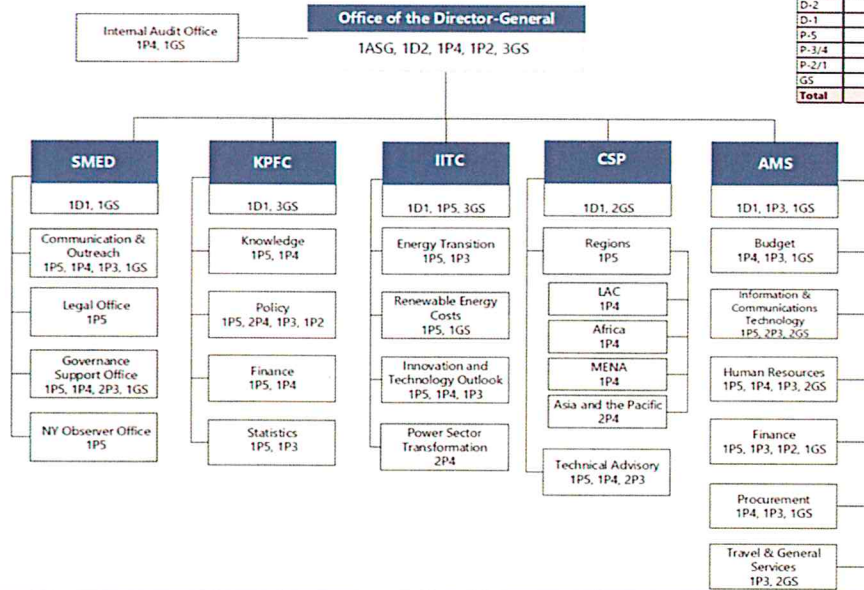
IRENA – Org Chart



IRENA Organisational Structure and Post Distribution for 2016 – 2017 Biennium

Summary of Posts

Posts	No.
ASG	1
D-2	1
D-1	5
P-5	17
P-3/4	37
P-2/1	3
GS	26
Total	90



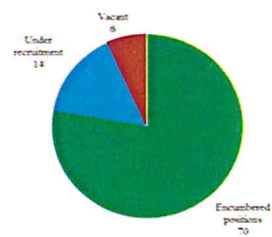
Staffing Component – as of 31.08.2016

Total Staffing – Active staff

Type of contract	Professional	General Services	Total
Fixed Term (Core Post)	47	23	70
Fixed Term (Non-Core Post)	20	5	25
Fixed Term (JPO)	1	0	1
Grand Total	68	28	96

Core Posts – Filled & Under Recruitment

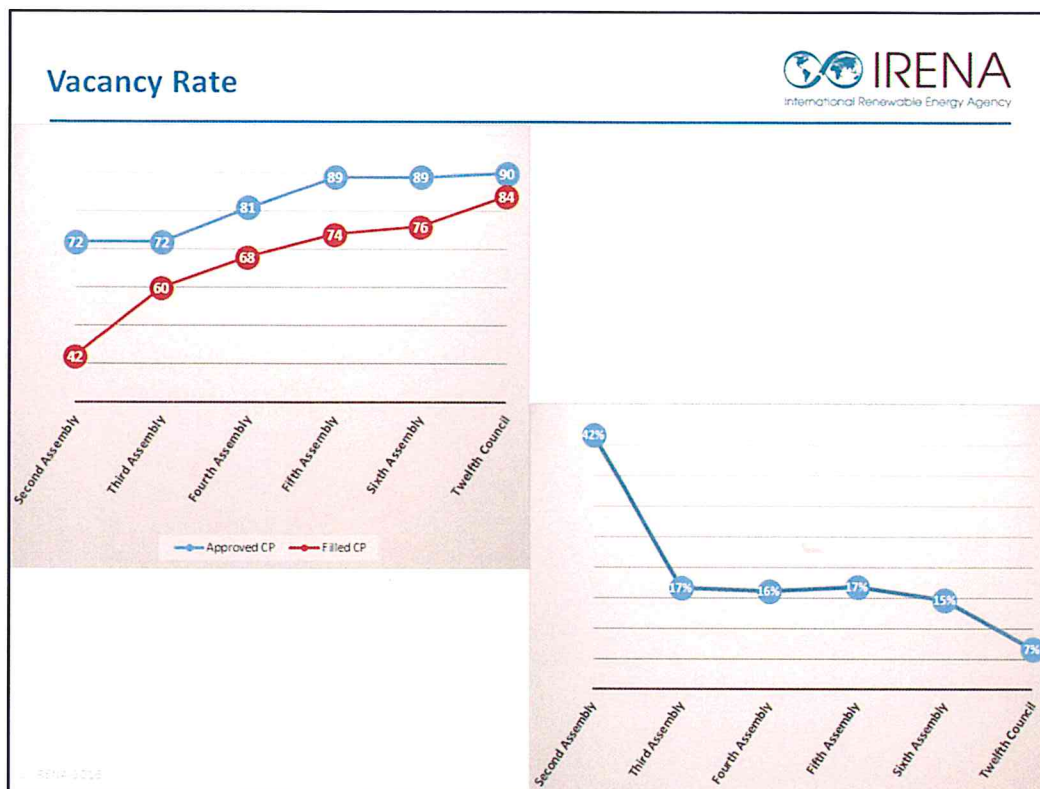
Level	Approved	Filled or Under Recruitment
ASG	1	1
D-2	1	1
D-1	5	5
P-5	17	14
P-3/4	37	35
P-2/1	3	3
Sub-total Professional and above	64	59
General Services	26	25
Total	90	84



The two tables provide the breakdown of the core/active staff positions which are encumbered, are under recruitment and those that are vacant.

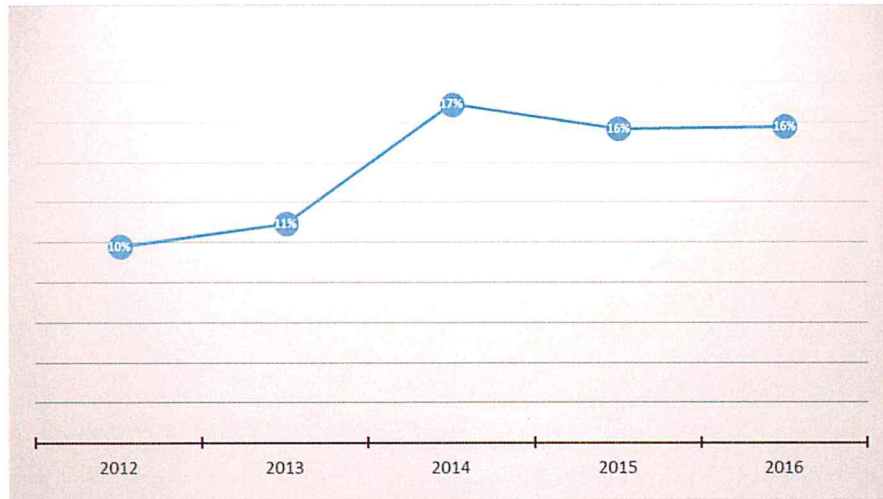
The table at the top, also includes the number of non-core posts that are filled by staff on contracts of a year and longer (fixed-term) and the 1 Junior Professional Officer.

The table at the bottom provides a breakdown of the 90 core posts by level. Currently 84 are filled or under recruitment action.



The chart to the left depicts the number of approved core posts resulting from Assembly decision on Work Programme and Budget, commencing with the 2nd Assembly (Blue Line). It also reflects the Agency’s filling of the posts (Red Line), and demonstrates that the Agency has been able to move close to having all core posts filled. The chart to the right reflects the reduction in the vacancy rate since the 2nd Assembly.

Turnover



This chart reflects the percentage of staff on core posts who have departed the Agency on an annual basis.
Since 2014, approximately 15 staff on core posts have departed each year.

Average Number of Years of Services (Core Posts)

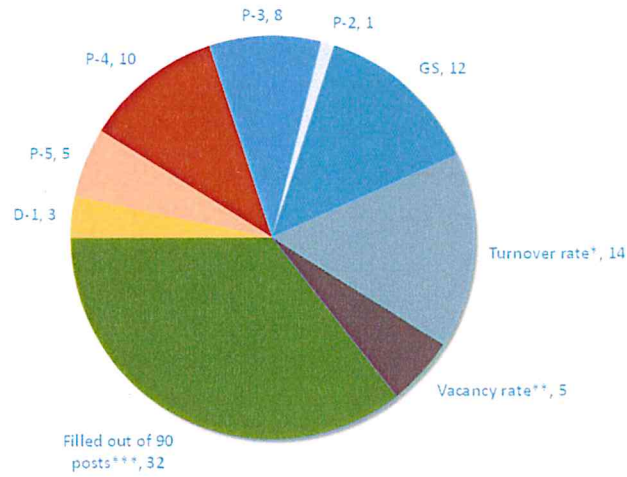
Average Number of Years of Services for Separated Staff

Year	Average Years of Services
2012 - 2016	2.45

Average Number of Years of Services for Current Staff

Year	Average Years of Services
2016	3.23

Tenure 2018 – 2020



Summary of Posts

Posts	No.
ASG	1
D-2	1
D-1	5
P-5	17
P-3/4	37
P-2/1	3
GS	26
Total	90

* Turnover rate considered as 15-16% out of the 90 posts (i.e. 14 posts) consistent with current trend

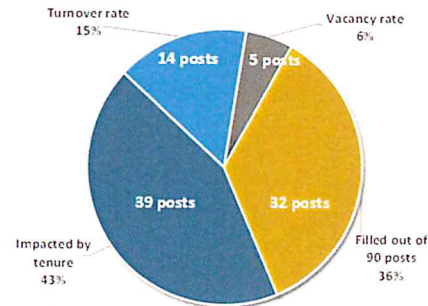
** Vacancy rate considered as 6% out of 90 posts (i.e. 5 posts)

*** The maximum number of currently serving staff who would still be on-board in 2020

Divisions/Offices Impacted by the Tenure Policy (2018 – 2020)

Division/Office	Posts affected by the tenure in 2020*	% of Posts affected by the tenure in 2020
ODG	2	12%
ODG	2	
SMED	5	
SMED Director's Office	1	
Communication & Outreach	1	
Governance Support Office	2	
NY Observer Office	1	
KPFC	8	53%
KPFC Director's Office	2	
Knowledge	1	
Policy	4	
Statistics	1	
IITC	5	36%
IITC Director's Office	1	
Innovation and Technology Outlook	2	
Power Sector Transformation	1	
Renewable Energy Cost	1	
CSP	4	31%
CSP Director's office	2	
Regions - Asia	1	
Regions- Africa	1	
AMS	15	58%
Finance	4	
General Services	3	
Human Resources	3	
ICT	3	
Procurement	2	
Total	39	43%

*The above chart only includes offices, under each division, which will be impacted by the current term-limit policy.



The table presents a breakdown of each of the divisions and the offices within those divisions which will be impacted by the tenure policy between 2018 and 2020. The column entitled "Posts affected by the tenure in 2020" reflects those posts currently encumbered by staff who will reach the 7 year tenure between 2018 and 2020. The total number of posts/individuals is 39.

The last column reflects the impact of the tenure policy departures as a percentage against each division's current staffing.

These numbers and percentages do not assume that other staff will depart.

However, based on the current rotation rate it is reasonable to assume that there will be additional staff who will separate from the agency during the course of the next few years.