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**PREPARATORY COMMISSION FOR THE  
INTERNATIONAL RENEWABLE ENERGY AGENCY**  
Fifth Session  
Abu Dhabi, 3 April 2011  
Agenda item 10

**Draft Decision on the  
Transfer of Assets and Liabilities from the Preparatory Commission for the International  
Renewable Energy Agency to the International Renewable Energy Agency and Recommendations  
on other Transitional Arrangements**

The Preparatory Commission for the International Renewable Energy Agency at its fifth session,

*Noting* that paragraph 12 of the Resolution on Establishing a Preparatory Commission for the International Renewable Energy Agency, adopted by the Conference on the Establishment of the International Renewable Energy Agency on 26 January 2009, provides that the Preparatory Commission (Commission) shall remain in existence until the conclusion of the first session of the Assembly of the International Renewable Energy Agency (IRENA) and the election of the Council of IRENA in accordance with the Statute of IRENA,

*Desiring* that the assets and liabilities of the Commission be transferred to IRENA at the first session of the Assembly, and the details of the transfer be determined,

*Noting* that the Staff Regulations of the Preparatory Commission adopted on 17 January 2010 mandated in regulations 4.1 and 4.2 that salaries, allowances and benefits for the staff members of the Secretariat of the Commission be determined in accordance with the United Nations common system standards, and specified in the Letter of Appointment to be issued to such staff members,

*Noting* the findings of the Financial and Organizational Review Team (FROT) Report of 26-30 July 2010 that the form of the letters of appointment and the employment contracts did not comply with

the decisions of the Preparatory Commission and did not include the required core provisions on conditions of service,

*Noting* also that staff members appointed after 1 August 2010 were appointed under terms and conditions consistent with the applicable Staff Regulations,

*Emphasizing* that all contractual arrangements with staff, including offer letters, employment contracts and all other associated employment documents must comply with the Staff Regulations and with the decisions of the Preparatory Commission,

*Noting* the results of the two audits that have been conducted following the Decision PC.4/DC.9,

*Approves* the transfer of assets and liabilities of the Commission to IRENA as specified in Annex 1,

*Recommends* to the Assembly that it accepts the transfer of assets and liabilities of the Commission at its first session, and that it follows the recommendations on transitional arrangements as specified in Annex 2.

**TRANSFER OF ASSETS AND LIABILITIES**

1. All assets and liabilities of the Commission shall be transferred to IRENA at the conclusion of the first session of the Assembly. The assets and liabilities of the Commission shall include the assets held, including all transferable rights, and the liabilities incurred, in the name of the Commission.

2. All assets and known liabilities shall be listed in an inventory drawn up by the Commission and accepted by IRENA at the time of the transfer. The inventory is annexed to the present Decision as Annex 3 and constitutes an integral part of the Decision.

3. The transfer of assets shall include an eventual audited cash surplus, if any, which will be reflected in the final audited financial statements of the Commission. The transfer of assets shall include voluntary payments made to the Commission prior to the first session of the Assembly, that will be governed by the Decision PC.4/DC.6, number 5 (Voluntary contributions for core budget that are made by a Member State in 2011 prior to the first Assembly will be deducted from that Member States required mandatory contribution which will be decided at the first Assembly) and other decisions made in the context of the Work Programme 2011 and Budget.

**TRANSITIONAL ARRANGEMENTS**

**Article 1**

**SUCCESSION TO CONTRACTS AND OTHER ENGAGEMENTS**

1.1 Each party to a contract entered into by the Commission will be notified of the transition from the Commission to IRENA by the Director-General without undue delay. IRENA will succeed to commercial contracts entered into by the Commission unless (a) the other party to the contract objects within one month after notification or (b) the Director-General, in the interest of IRENA, elects to terminate such contract.

1.2 In respect of contracts of employment with staff:

(a) All contracts of employment with staff of the Preparatory Commission shall come to an end at the end of the first session of the Assembly.

(b) All new contracts issued by the Director-General to appoint staff and any other personnel in order to meet IRENA's needs shall comply with the relevant regulations adopted by the Assembly and with the decisions taken by the Assembly in respect of the Budget and Work Programme.

(c) Staff of the Preparatory Commission who do not receive new appointments with IRENA due to changing needs as reflected in the Budget and Work Programme adopted by the Assembly shall receive separation payments in accordance with the applicable Staff Regulations, taking also due account of the potential residual rights they may have related to the housing agreement.

(d) During the following three months, the Director-General shall make the necessary arrangements to implement the decisions contained in paragraphs (a) to (c) above, taking into account IRENA's operational requirements and the needs of the staff concerned. Until a new contract is issued or a decision not to renew the appointment is taken, any member of staff

concerned shall receive the salary, benefits and allowances according to his or her contract with the Preparatory Commission.

(e) With respect to staff serving on secondment, the arrangements to be concluded by the Agency shall continue to be governed by the Secondment Regulations adopted by the Commission PC.2/DC.6 until the Assembly decides on a new regime to govern the secondment of staff to the Agency.

1.3 While not in written contract form, appropriate bank accounts and signature cards will be prepared by the Commission to facilitate the transfer of cash to IRENA, and the deposit of IRENA contributions as received.

1.4 A list of the commercial contracts specified in 1.1 above is attached to the present Decision as Annex 4 and constitutes an integral part of this Decision.

## **Article 2**

### **ACCRUED BENEFITS OF STAFF MEMBERS**

IRENA shall recognise the accrued benefits of those staff members of the Interim Secretariat of the Commission who are appointed by the Director-General to the Secretariat of IRENA. The accrued benefits shall be specified in the Letter of Appointment.

## **Article 3**

### **OFFICE OF THE LIQUIDATOR**

3.1 Immediately after the conclusion of the first session of the Assembly, the Office of the Liquidator for the Commission shall be established. The Liquidator shall be appointed by the Director-General at the same time.

3.2 The Liquidator shall act under the supervision of the Director-General. The Liquidator is hereby fully empowered to complete the final closure of the Commission's accounts in accordance with the Interim Financial Regulations for the Preparatory Commission.

3.3 The books and accounts reflecting the transferred assets and liabilities of the Commission shall be kept separately from those of IRENA.

3.4 The services of the Liquidator, the clerical and administrative support and the supplies mentioned in this paragraph shall be borne by IRENA's budget. All other costs related to the liquidation shall be charged to the Commission's account.

3.5 The Office of the Liquidator shall terminate after the submission of the financial statements.

## INVENTORY OF ASSETS AND LIABILITIES

<u>ASSETS</u> (Note 1)	31-Dec-10	28-Feb-11
	USD	USD
<b>Property, plant and equipment</b> , specifically furniture and fixtures, office equipment, IT hardware and computer licences	3,435,304	3,265,246
<b>Bank, petty cash and other funds</b> (Note 2)	4,754,631	5,345,735
Amounts to be received relating to the " <b>Bid Agreement</b> "		
ICT	595,399	405,233
Operational	176,515	103,365
Research	412,140	412,140
Housing allowances	95,240	101,922
<b>Up front payments</b> for services	304,843	204,242
<b>Housing advances</b> and <b>other allowances</b> to be reimbursed by staff including seconded staff	523,862	424,241
<b>TOTAL ASSETS</b>	<u><u>10,297,934</u></u>	<u><u>10,262,124</u></u>

Note 1: The figures indicated in the 31<sup>st</sup> December 2010 column have been submitted to the External Auditors as part of the Annual Financial Statements. The figures indicated in the 28<sup>th</sup> February 2011 column are based on management accounts and are subject to review by the Liquidator.

Note 2: This includes bank accounts, Staff Provident Fund contributions and 2010 assessed contributions received after 31<sup>st</sup> December 2010. Included within the bank accounts is the Operating Reserve balance arising from 2009 and 2010 as well as the 2009 surplus for which instructions from Members are pending.

<b><u>LIABILITIES</u></b> <i>(Notes 3 &amp; 4)</i>	<b>31-Dec-10</b>	<b>28-Feb-11</b>
	<b>USD</b>	<b>USD</b>
Payments due to <b>contractors</b>	402,900	278,986
<b>Payroll accruals</b> relating to final entitlements of former staff, leave pay and other entitlements due to current staff	115,048	148,621
<b>Staff Provident Fund</b> relating to amounts held on behalf of staff	17,827	51,486
<b>UAE and German</b> contributions earmarked for specific operational and project expenditures		
UAE	1,154,134	972,123
Germany	941,797	916,087
<b>2011 contributions</b> received in 2010	1,376,005	
<b>Housing working capital</b> provided by the <b>UAE</b> for rental advances.	816,900	816,900
<b>TOTAL LIABILITIES</b>	<b><u>4,824,611</u></b>	<b><u>3,184,203</u></b>
<b><u>EQUITY</u></b>		
Operating Reserve (2009 and 2010)	1,148,751	1,148,751
Operating Reserve (2011)	-	454,933
Accumulated Surplus 2009	758,281	699,328
Accumulated Surplus 2010	48,611	48,611
Accumulated Surplus 2011	-	1,494,163
Bid Surplus	3,399,324	3,112,453
Bonn Surplus	118,356	119,682
<b>TOTAL EQUITY</b>	<b><u>5,473,323</u></b>	<b><u>7,077,921</u></b>

Note 3: The figures indicated in the 31<sup>st</sup> December 2010 column have been submitted to the External Auditors as part of the Annual Financial Statements. The figures indicated in the 28<sup>th</sup> February 2011 column are based on management accounts and are subject to review by the Liquidator.

Note 4: No liability for monthly staff cost has been included in this listing as none were due at the dates included in the listing. Monthly staff costs approximate USD 410,000.

**LIST OF CONTRACTS IN PLACE ON 27 MARCH 2011**

Includes contractual commitments with outstanding financial obligations by the Preparatory Commission and fully paid contractual commitments in respect of which the performance of contractual obligations is currently underway. Based on available records.

<b>No</b>	<b>Contracting Party</b>	<b>Description</b>
1	Omeir Travel Agency LLC	Travel services
2	Emirates Cable TV and Multimedia LLC	TV services
3	Thomson Reuters (Markets) Middle East Ltd	Provision of markets and financial information
4	Fleishman-Hillard Middle East	Outreach
5	IDC S.p.A. Middle East	Information technology (IT)
6	Microsoft Gulf FZ –LLC	Information technology (IT)
7	Fleishman-Hillard Middle East	Outreach
8	IDC S.p.A. Middle East	Information technology (IT)
9	Bloomberg Finance LP	Provision of markets and financial information
10	Gallo Images	Information technology (IT)
11	Netways	Information technology (IT)
12	Grant Thornton UAE	Accounting services
13	MDS Computers	Information technology (IT)
14	IDC S.p.A. Middle East	Information technology (IT)
15	Teksalah LLC	Information technology (IT)
16	MDS Computers	Information technology (IT)
17	Alpha Data	Information technology (IT)
18	ASP Gulf LLC	Information technology (IT)
19	Visionaire Technology Group Inc.	Information technology (IT)
20	Sabha Printing & Advertising Gifts	Supply
21	Emirates Telecommunications Corporation (ETISALAT)	Telecommunication services
22	Emirates Integrated Telecommunications Company (DU)	Telecommunication services
23	MDS computers	Information technology (IT)
24	Intertec Systems LLC	Information technology (IT)
25	City View	Transportation services
26	Basamat Printing Services	Printing services
27	Food Co.	Office supplies
28	Delight Stationary	Office supplies
29	Individual Consultancies	Individual consultancies