

**PREPARATORY COMMISSION FOR THE
INTERNATIONAL RENEWABLE ENERGY AGENCY**

Decision on the 2009 Budget

Second session

Tuesday, 30 June 2009

Sharm El Sheikh International Congress Center (SEICC)

IRENA/PC.2/dc.2

Agenda item 10

**Decision PC.2/dc.2 on Adopting the
Budget of the Preparatory Commission for the Financial Period 2009**

The Preparatory Commission for the International Renewable Energy Agency

(*“Commission”*), at its second session,

having considered paragraph II of the decision PC.1/dc.5 on establishing an Administrative Committee for the Commission,

recalling regulation 3.1, 3.5 and 4.1 of the interim financial regulations of the Commission,

having considered the proposed budget for 2009, submitted by the Administrative Committee,

emphasising the considerable uncertainties in drafting the budget for the year 2009 in the light of the initial stage of the Commission,

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- I. *invites* all Members of the Commission to contribute to the budget of the Commission in 2009 by voluntary contributions;
 - II. *requests* the Members to contribute as early as possible, preferably in July 2009;
 - III. *decides as follows*:
 1. The budget for 2009 will amount to 6.175 million USD for the purposes specified in the Annex, table 1.
 2. The staff that may be hired in 2009 includes the post of the Interim Director-General at the level of Assistant Secretary General. The staff that can be hired by the Interim Director-General in 2009 may include up to one senior post at the level of D-2 and up to three senior posts at the level of D-1. An indicative list of the number of staff that may be hired until December 2009 is given in the Annex, table 2.
 3. In accordance with regulation 4.6 of the interim financial regulations and given that this is the first budget of the Commission, the Interim Director-General is authorised to make transfers between each of the appropriation sections outlined in the Annex, table 1 up to an aggregate limit of 25 per cent of the estimated expenditure for those appropriation sections.
 4. The Interim Director-General is authorised to adjust the proposed structure of the programme budget, as outlined in the Annex, table 3, if needed.
 5. There shall be established an operating reserve in accordance with regulation 11.1 of the interim financial regulations corresponding to 30 per cent of the six-month budget for 2009, as outlined in the Annex, table 1.
 6. The Interim Director-General is requested to report at the next session of the Commission on the income, budget performance and possible adjustments in accordance with Article 15 of the interim financial regulations.

Annex

Table 1: Proposed budget by cost category for 2009 (USD in thousands)

<i>Expenditures by cost category 2009</i>	
Staff and other personnel costs	2,100
Contractual services ¹	1,900
Travel	100
Operating expenses	300
Acquisitions ²	300
Body meetings	50
Total Expenditures	4,750
Establishing operating reserve³	1,425
TOTAL FINANCIAL NEEDS	6,175
<i>Income</i>	
Voluntary contributions	6,175
TOTAL INCOME	6,175

¹ Including all contractual costs for the basic tasks (communication, cooperation network, knowledge management), for the initial core activities and for management and administration (legal and financial advice, information technology services, other external expertise).

² Non-consumable, non-service expenditure, e.g. for furniture, equipment, software.

³ In the case of voluntary contributions, the UN regulations envisage an operating reserve (trust fund) of up to 15% of the annual expenditures. Considering that the 2009 budget covers only six months and involves a rapidly growing staff, the operating reserve is calculated to amount to 30% of the 2009 expenditures. The operating reserve remains a property of the Members that have contributed to it. After IRENA's Statute has entered into force, IRENA will rely on assessed contributions and therefore the operating reserve will be paid back to the Members that have actually contributed to it and a working capital reserve corresponding to 8.3% of the annual expenditure will be established instead.

Table 2: Indicative staffing table for 2009

Category	Person-months in 2009	Full-time staff 2009
Professional	120	38
General service	40	12
Total		50

Table 3: Indicative programme budget for 2009 (USD in thousands)⁴

Expenditure 2009	
A. Programme appropriations	
Executive direction, management and strategy	550
Knowledge management	900
Cooperation networks	300
Communication	750
Initial activities	1100
B. Administration and infrastructure	1,150
Programme expenditures (A+B)	4,750

⁴ For further details, see the respective provisions in the 2009/2010 work programme.