

Thirtieth meeting of the Council
Abu Dhabi, 30-31 October 2025

Context: Pursuant to decision C/3/DC/3, the Administration and Finance Committee (hereafter “AFC” or “Committee”) met on 14 October 2025 with the primary objective of discussing the Report of the Director-General - Proposed Work Programme and Budget for 2026-2027, in preparation for the upcoming Council and Committee meetings.

Outcome: A set of views and comments captured by the Chair in his summary below to be presented to the Council at its thirtieth meeting.

Chair’s Summary of the outcome of the Administration and Finance Committee Meeting

The following comments and recommendations were made:

1. Introduction

- The Chair opened the meeting by welcoming AFC members, Secretariat, and the Host country representatives, noting the Committee’s critical role in ensuring transparent and efficient use of IRENA’s resources. The agenda focused on the Director-General’s Proposed Work Programme and Budget for 2026–2027 and on the status of assessed contributions, which was adopted without objection. The Chair encouraged active participation and open exchange, emphasizing that members’ insights and guidance are vital for the effective management of Agency resources and for shaping future recommendations to Council.

2. Report of the Director-General – Proposed Work Programme and Budget for 2026-2027

- The Secretariat presented the main features of the Director-General’s proposal, highlighting three budget scenarios—Zero Nominal Growth, Zero Real Growth, and Programme Continuity, which are built upon the current biennium’s baseline that reflects the minimum resource needs to maintain statutory obligations. It was emphasized that the proposals do not seek Agency expansion but rather aim to sustain current capacity amid evolving cost pressures and increased operational complexities.

The proposals made were as follows:

- 1- Zero nominal growth maintains the core assessed budget at US\$44.8 million.
- 2- Zero real growth raises the core assessed to US\$48.9 million, only covering mandatory obligations and unavoidable contractual increases.

- 3- Programme continuity scenario, at US\$52.9 million, to preserve programme delivery.
- The Secretariat highlighted that the Agency's core financing has evolved only marginally since 2018, and Member States' contributions have lagged behind rising operational demands. Host country contributions have provided consistent support, but overall funding levels remained largely unchanged despite evolving requirements and cost increases.
 - The Secretariat also clarified that the composition of the core budget, dominated by staff costs, leaving minimal room for reallocation; and non-staff shifts cannot offset statutory salary obligations.
 - It was also highlighted that voluntary contributions are expected to reach US\$7.4 million including multi-year agreements with various countries. However, they are largely earmarked for donor-specified activities, which limits the use for institutional priorities.
 - The AFC was informed of negotiations with donors totalling approximately US\$4.0 million at an advanced stage. This amount comprises USD 1.27 million from Members (Belgium/Flanders and Germany), USD 353,000 from multilateral development institutions (UNDP and the World Bank), USD 421,000 from a public private partnership (GEAPP), and USD 2.0 million from a philanthropic foundation (Open Society Foundations), as reflected in Annex VI¹. The Committee requested the Secretariat to provide an updated status at the Assembly on signed contracts and to adjust the budgeted amount from the Open Society Foundations because it includes the year 2028.
 - While the Secretariat provided Annex III with the indicative scale of contributions for all three scenarios, presenting one in full and the remaining two accessible through links, Members asked that the full tables for all three scenarios be included directly within the document to enable clear Member level comparison.
 - The Committee further requested the Secretariat to prepare a short explanatory note outlining the methodology for calculating assessed contributions, including the application of the United Nations scale of assessment and its adjustment in the Zero Nominal Growth scenario.
 - AFC Chair has requested Secretariat to share Financial Rules and Regulations with AFC Members.
 - A participant stated that a more detailed presentation of divisional outputs would have been beneficial, reflected for all divisions in the same manner as programmatic divisions to ensure balance and transparency in the budget presentation.

¹ Following the meeting, the Vice Chair suggested that this breakdown be explicitly included in the report to enhance clarity.

- The AFC Chair enquired whether the United Arab Emirates' core non-assessed contributions under the Zero Real Growth scenario were confirmed or indicative. The Secretariat clarified that they were proposed figures. The Chair then invited the United Arab Emirates to consider an increase of about USD 1.2 million, to which the Host Country expressed openness and requested supporting data from the Secretariat. The Secretariat committed to provide the requested information by 21 October 2025.
- Another participant reaffirmed strong commitment as co-host, yet signalled support for the Zero Nominal Growth Scenario amid domestic budget pressures. The participant further noted the ongoing review by the United States of its participation in international organisations and requested clarification on the legal implications should a major contributor withdraw, as well as on how payment delays are managed in the Agency's cash flows.
- The AFC requested the Secretariat to prepare a note setting out the applicable legal and financial provisions in the event of withdrawal or non-payment by a Member.
- Members requested the Secretariat to prepare and present a contingency scenario excluding the assessed contribution of the United States, identifying the corresponding adjustments. The Secretariat confirmed its readiness to collaborate across divisions to identify and implement these measures and present a comprehensive overview to the Council.
- A request was made to separate the Office of Chief of Staff budget from the Office of the Director General budget for greater transparency. The Secretariat agreed to include this separation in the next budget iteration.
- A suggestion was made to consider compensating overtime with compensatory time off. The Secretariat confirmed that the current HR policy provides for overtime to be compensated with additional time off. However, limited staffing levels make implementation challenging.
- Another participant highlighted the need for a focused approach, supporting the presentation of a single budget scenario to Council for a smoother process, advocating for transparency and careful cost minimization.
- A participant emphasized the importance of enhanced efficiency, calling for the Secretariat to reflect on potential reforms to strengthen the Agency's relevance, long-term sustainability, and to ensure staffing and budget structures remain fit-for-purpose.
- The Chair concluded that the prevailing view among participants was to proceed with the Zero Nominal Growth scenario as the primary recommendation to the Council because of the imminent challenges that IRENA is facing with collecting assessed contributions. A

strong emphasis was placed on equitable budget reductions across divisions. The Chair recommended, with no objection, that the Zero Nominal Growth scenario be presented to the Council but adjustments be made by reducing Assessed Contributions by \$5 Million per year to reflect the non-collection of contribution by a few members and at the same time reduce spending by \$5 Million per year by division on a relative percentage basis.

- Following the meeting, the AFC Chair provided the Secretariat with a table outlining the recommended cost reduction by Division for the 2026-2027 budget proposal.

Recommended Cost Reduction By Division to Council									
2026/2027 Budget									
Total Recommended Cost Reduction					\$5,000,000				
Division	Pre AFC Meeting Budget Allocation	Cost Reduction %	Cost Reduction Amount	Post AFC Meeting Recommended Budget Allocation	Key Takeaways: 1. IRENA is expecting a reduction in member contribution totaling US\$5 Million per year. 2. Divisions are asked to reduce their discretionary spending by US\$5 Million per year. The reduction should be focused mainly on operational inefficiencies and non-priority activities. 3. The Office of Chief of Staff budget to be separated from the Office of the Director General budget for greater transparency.				
Country Engagement and Partnerships	8,426,000	16%	781,662	7,644,338					
IRENA Innovation and Technology Centre	10,890,000	0%	0	10,890,000					
Knowledge, Policy and Finance Centre	10,500,000	19%	974,062	9,525,938					
Project Facilitation and Support	3,421,000	6%	317,359	3,103,641					
Office of the Director General	18,288,000	34%	1,696,538	16,591,462					
Administration and Management Services	13,263,000	25%	1,230,380	12,032,620					
Total	\$64,788,000	100%	\$5,000,000	\$59,788,000					