

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 29 October 2025 to ensure that the work of the Agency continues. It reviewed matters related to the Annual Report Implementation of the Work Programme and Budget for 2024-2025, Proposed Work Programme and Budget for 2026-2027, Report on Budget Performance Reporting Practices of International Organisations, Benchmarking and Recommendations for IRENA, Matters relating to Human Resources, Status of Collection of Assessed Contributions and Advances to the Working Capital Fund, Status of Implementation of External Audit Recommendations, Establishment of an Oversight Audit Committee, Selection and Appointment of the External Auditor and Activities of the Internal Audit Office and Internal Audit Recommendations and Action Taken.

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 on 30-31 October 2025.

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

The following comments and recommendations were made:

#### **1. Introduction**

- The Chair of the Administration and Finance Committee, the Ambassador of Dominica to the United Arab Emirates opened the meeting by welcoming AFC members, AFC Vice Chair, H.E. Dr. Nawal Al-Hosany from the United Arab Emirates, the Secretariat, and the Host country representatives. The Chair expressed his commitment to leading the AFC discussions, around transparent, accountable, and efficient use of the Agency’s resources. The provisional agenda was shared and adopted by the Committee with no objections.
- The Chair reminded the Committee of the hybrid AFC meeting that was held on October 14 to discuss the Director General's report and budget proposal for 2026-2027, where the outcome of the meeting was circulated by the Secretariat on October 24<sup>th</sup> under (C/30/CRP/1).
- The Chair highlighted that AFC’s goal is to improve timely reporting through the support of technology to reduce the timeline between financial activity and reporting, enhance transparency to ensure financial information is more accessible, and the availability of enhanced tracking systems of budget performance. The Chair acknowledged the current financial constraints and encouraged members to engage collectively to address these challenges.

## 2. Annual Report of the Director-General on the Implementation of the Work Programme and Budget for 2024-2025

- The Director of Administration and Management Services introduced the report and reported that the total core budget approved at USD 64.8 mil. had a budget utilization rate of 92% as of August 2025, with assessed contributions received representing approximately 72% of the 2025 assessment. The Core non-assessed contributions from host countries were at a 100% collection rate, which was highlighted to be great support to program implementation.
- The Secretariat reported on a total of USD 21.67 mil in Voluntary Contributions as of 31 August 2025, and additional USD 2.62 mil. received from Norway, Germany, Walloon (Belgium) and GIZ, since the report was published.
- Members raised concerns on arrears from Member States, and requested clarity on measures the Agency has in place to address missing payments and how these measures impact right and prohibitions. A participant suggested that the Secretariat should consider more structured measures for addressing arrears, including clearer policies on payment schedules and consequences for non-compliance and tailored solutions.
- The Secretariat confirmed that it undertakes regular follow-up with Member States through official communication, urging countries to pay. The Secretariat is also taking internal measures to deal with stringent capital liquidity, including reviewing open commitments and obligations to determine which can be deferred, terminated, or cancelled. The Agency is committed to operate within the funds received and will continue to reach out to countries in arrears to encourage them to send their outstanding contributions.
- The Chair sought clarification from the Secretariat on several aspects of the Agency's financial management, specifically:
  - Whether the Agency incurs expenditure for voluntary contribution projects prior to the actual receipt of corresponding funds in its bank accounts.
  - Considering the operational deficits reported in 2023 and 2024, whether similar circumstances are anticipated in 2025, and the underlying reasons for any projected shortfall.
  - Whether robust systems exist to ensure that all expenses are appropriately allocated to their respective voluntary contribution projects.
- The Secretariat confirmed that it does advance planning for voluntary contributions on exceptional basis only if agreements are signed, allowing for basic purchase requisitions, open commitments, and early recruitment activities. The Secretariat clarified that actual expenditures are not incurred before funds are in place. The Secretariat further explained that the deficits reported in previous financial statements are accounting entries, reflecting the spending of funds received in prior years. The Secretariat confirmed that the Agency has a system in place to allocate costs to different funding sources.

- A participant proposed convening a dedicated dialogue between the Secretariat and interested Members to review the information presented in the budget and financial statements. The objective would be for the Secretariat to present the details contained in these reports, allowing participants to provide targeted feedback regarding the specific information required. Additionally, it was suggested to engage in discussions regarding the progress report on the work programme, with a view to determining whether the report sufficiently addresses Members' informational needs.
- The Chair confirmed that a draft resolution on reporting practices is in place and will undergo review by the Assembly, and proposed that existing platforms, such as AFC can be leveraged to facilitate more substantive and participatory discussions on reporting matters. The Secretariat expressed its openness to constructive dialogue and specific feedback from Members, with the aim of continuously improving the Agency's reporting processes and committed that the future financial statements will have additional detailed explanatory notes.
- The Chair requested the Secretariat to prepare a report on advances related to voluntary contributions and welcomed participants to contact the AFC with suggestions for reports.
- A participant acknowledged the need for continued supplementary reports but noted that the preparation of additional reports may be constrained by existing capacity and could redirect resources from other critical priorities. The participant further expressed confidence that the Secretariat is adopting adequate measures to prevent an incidence of overspending. The Chair observed that investing in such systems could improve decision-making and oversight.

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

- The Committee recalled the hybrid AFC discussion of 14 October and recognised that three scenarios Zero Nominal Growth (ZNG), Zero Real Growth (ZRG), and Programme Continuity (PC) had been presented to guide Members on the level of ambition for the Agency.
- During deliberations, the Secretariat was advised to refrain from submitting the Programme Continuity scenario for consideration by the AFC. Based on the AFC's request and due to lower-than-anticipated collection of core assessed contributions, the Secretariat prepared a contingency plan which represents a reduction of 22% compared to the ZNG scenario.
- This plan establishes a more conservative, realistic financial baseline reflecting significantly reduced resources. The plan would result in a total core assessed of \$34.9 million, a reduction of \$9.85 million compared to the original proposal, and would require leaving several posts vacant and phasing out some functions and activities. Under this scenario, only statutory functions would be prioritized, and technology upgrades would be postponed, increasing operational risks.
- Participants underlined the importance of transparency in presenting statutory drivers and unavoidable costs. Concerns were expressed about the sustainability of a flat budget,

noting that prolonged zero-growth approaches since 2018 had already eroded capacity. Some participants highlighted that further constraints risk weakening the Agency's ability to deliver on Members' mandates, preserve institutional continuity, and respond effectively to emerging global priorities.

- The Committee emphasized the need for a balanced approach that safeguards core functions while exploring efficiencies and opportunities. Members also encouraged the Secretariat to continue strengthening reporting on the linkage between resources and results to better inform Members' decision-making.
- The Secretariat explained that to optimize limited resources, recruitment would be delayed, operational duties reassigned among existing staff increasing workload burden, contracts and travel would be heavily minimized. While voluntary contributions are leveraged to sustain core work, the Secretariat emphasized its limited legal recourse to address persistent arrears, which currently stand at approximately 28%.
- Participants expressed concerns about the scenario options. Questions were raised about the real deficit and the impact of the proposed contingency measures, including potential effects on staffing—which was estimated at a reduction of 20 to 25 positions from a staff complement of 175.
- A participant expressed strong opposition to proposals that would increase the financial burden of non-payment on compliant members, advocating for an approach emphasizing cost-efficiency and more structured diplomatic engagement to close the financing gap. Most participants expressed their support towards the zero nominal growth scenario, some expressed that adjustments can be made down the line if circumstances improve.
- Participants discussed the likelihood of finding new resources to mitigate anticipated shortfalls, highlighting opportunities to increase outreach to governments, companies, and NGOs aligned with IRENA's mission. Specific questions from a participant addressed available support mechanisms for member states in delivering national clean cooking solutions, and another participant noted the need for greater efficiency and stronger alignment of human resource investments with organizational value.
- Further, a participant called for a deeper review of the Agency's organizational structure and efficiency measures, going beyond staff cuts and toward a comprehensive understanding of evolving needs after fifteen years of operation.
- In conclusion, the AFC agreed to recommend the zero nominal growth scenario, with contingency measures applied to ensure a realistic and prudent fiscal path, adding the flexibility to revisit the budget should funding prospects improve.

#### **4. Report on Budget Performance Reporting Practices of International Organisations: Benchmarking and Recommendations for IRENA**

- The Committee considered the report on budget performance reporting practices of international organisations, including the benchmarking exercise undertaken against a range of comparable entities.
- The assessment confirmed that IRENA's current financial governance framework is robust, transparent, and fully compliant with its statute and the financial rules and regulations of the Agency. Rather than recommending structural changes, the review emphasized targeted improvements to enhance readability and comparability, while ensuring the integrity of the existing framework is maintained.
- The benchmarking analysis compared IRENA's reporting practices against those of 11 peer organizations, including UNEP, IEA, CTBTO, OPCW, UNDP, UNIDO, IFAD, and others. Fourteen distinct reporting dimensions were reviewed, such as reporting structure, frequency, presentation of applications, and the treatment of funding variances and efficiency. The assessment utilized official documentation and international standards, including guidance from the Joint Inspection Unit of the United Nations.
- Key findings indicate that IRENA already delivers comprehensive information to its membership across annual reports, budget progress updates, HR management reports, and audited financial statements. These products collectively meet established transparency and accountability requirements. However, opportunities were identified for incremental enhancement, such as clearer variance analysis, more structured efficiency information, and visual data presentation.
- The Secretariat has put forward proposals to make information more accessible, including the use of visuals, streamlined narrative on key variances, and a unified structure for reporting on all funding sources. The recommendations contain further measures such as budget utilisation presentations aligned with expenditures, concise driver-based explanations of material changes, and systematic reporting on efficiency gains and cost optimisation.
- Implementation of these improvements will be gradual, starting with the 2026–2027 biennium, and will be managed within existing systems and staff capacity, avoiding the need for structural adjustments. Nevertheless, the pace of progress may be influenced by anticipated resource constraints or reductions in staffing.
- To this end, the Chair noted that a draft decision had been prepared (please see annex) and requested the Secretariat to circulate it for Members' review. Members were invited to provide feedback so that the text could be finalised in coordination with the Secretariat and submitted to the Council on 31 October for recommendation to the Assembly in January 2026.

**5. Matters relating to Human Resources Management**

**a. Report of the Director-General on Human Resources Management and Trends**

- The Deputy Director-General introduced the 'Report of the Director-General – Human Resources Management and Trends', contained in document C/30/7, and highlighted several initiatives in human resources.
- The Secretariat provided a presentation containing a detailed overview of the report, which is available at this [link](#).
- The AFC took note of the report and decided to submit it to the Council for its consideration.

**b. Draft Policy on Individual Consultants**

- The Deputy Director-General introduced the Draft Policy on Individual Consultants, contained in document C/30/8.
- The Secretariat presented the amendment made to the draft policy following the most recent feedback received from membership.
- One participant thanked the Secretariat for facilitating member inputs and acknowledged progress in developing the draft policy. The delegate also expressed a reservation about the timing of introducing the policy, given the current budgetary constraints. The participant further suggested that it may be more appropriate to defer the adoption of the policy until there is more clarity on the way forward regarding the budgetary and programmatic matters that could influence the policy's development and implementation.
- The AFC took note of the amendment to the draft policy proposed by the Secretariat as well as the comment from the participant and decided to submit it to the Council for its consideration.

**6. Report of the Director-General on the Status of Implementation of External Audit Recommendations**

- The Secretariat introduced the 'Report of the Director-General on the Status of Implementation of the External Audit Recommendations' as contained in document C/30/9.
- The AFC took note of the report and decided to submit it to the Council.

**7. Report of the Director-General - Status of Collection of Assessed Contributions and Advances to the Working Capital Fund**

- The Secretariat introduced the 'Report of the Director-General on the Status of the Collection of Assessed Contributions and Advances to the Working Capital Fund' as contained in document C/30/INF/3.

- One participant expressed concern regarding the level of outstanding contributions. The participant noted that the two proposals made by the Secretariat to ease the liquidity situation could not be accepted at this stage noting concerns that contributing members should not be penalized due to other members not meeting their responsibilities and this decision should be considered in the context of other measures been taken to reduce outstanding contributions.
- One participant noted the higher increase as a result of the higher UN Scale and noted that there were challenges for members to accommodate the higher assessments due to their own budgets already allocated for 2026. The member reiterated they remained fully committed settling all its obligations .
- The AFC took note of the report and decided to submit it to the Council.

## **8. Establishment of an Oversight Audit Committee**

- The AFC Chair made reference to the ‘Proposal for developing an Oversight Audit Committee’, contained in document C/29/15, and recalled the Members that the Council, at its twenty-ninth meeting, agreed with the recommendation of the AFC to consider the establishment of an Oversight Audit Committee (hereafter “OAC”), reporting directly to the Council and composed of four IRENA Members, for further development at the thirtieth Council meeting, with the view to presenting a decision on this matter at the sixteenth session of the Assembly.
- The AFC Chair stated that the OAC is being established to strengthen governance and independence of the audit function, and to enhance the role of the governing bodies in overseeing the audit function, aligning with best practices of similar international organisations. In addition, the OAC shall be responsible for overseeing and providing strategic advice and guidance on governance, financial reporting, risk management, compliance and internal control processes, and shall report on its work biannually to the Council.
- The AFC Chair indicated that his intention with the AFC Vice Chair was to be able to prepare a proposal for a draft decision on the establishment of the OAC, with an annex on the proposed terms of reference, but due to circumstances beyond control that was not possible. He added that his plan is to circulate this draft this evening to Members for their review and comments. Should all Members agree on this approach, the Secretariat will proceed accordingly.<sup>1</sup>
- A participant enquired about the amount of time Members would have to agree on the proposed draft decision and terms of reference. The AFC Chair clarified that the document is just a few pages long and Members can submit their feedback till tomorrow evening.

---

<sup>1</sup> Following the AFC meeting, the Establishment of an Oversight Audit Committee – Proposed Draft Decision and Terms of Reference (C/30/10) was circulated to the Membership on 30 October 2025 and is available [at this link](#).

- The AFC took note of interventions made and AFC Chair specified that Members may wish to consider the proposed draft decision and terms of reference on establishing an OAC and provide guidance and recommendations, as appropriate.

**9. Proposed Process for the Selection and Appointment of the External Auditor**

- The Secretariat introduced the topic Proposed Process for the Selection and Appointment of the External Auditor and noted that this report was presented and discussed at the 29th Council.
- The Chair noted this topic was closely intertwined with the establishment of the Oversight Audit committee and that the Secretariat will undertake the preparation of a draft decision for the process for Selection and Appointment of the External Auditor after the finalization of the recommendation by the Council on the establishment of the Oversight Audit committee.

**10. Report of the Director-General on the Activities of the Internal Audit Office, and Internal Audit Recommendations and Actions Taken**

- The Deputy-Director General introduced the 'Report of the Director-General on the Activities of the Internal Audit Office, and Internal Audit Recommendations and Actions Taken', contained in document C/30/11.
- The AFC considered the report and decided to submit it to the Council for its consideration.

**11. Any other business**

- No other issue was raised by any Member.



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

## **Annex**

### **Proposal by the Chair of the Administration and Finance Committee (AFC) Draft Decision on Enhancing the Transparency and Reporting on the IRENA Budget and Financial Framework**

**The Assembly,**

**Recalling** Article I, paragraph (b) of the Statute, which states that the Agency is based on the principle of the equality of all its Members and shall pay due respect to the sovereign rights and competencies of its Members in performing its activities,

**Recalling further** that the latest guidance provided to the Agency for the preparation of its Work Programme and Budget and Preliminary Framework was contained in document **A/3/DC/12**, adopted on **14 January 2013**,

**Reaffirming** Article IX, paragraph (G)(2), which provides that the Assembly has the authority to decide on amendments to the Budget and Work Programme of the Agency,

**Also reaffirming** Article IX, paragraph (3), which stipulates that the Assembly shall take decisions relating to the supervision of the financial policies of the Agency, the financial rules, and other financial matters,

**Recalling** Article X, paragraph (6), which provides that the Director-General may conclude agreements or arrangements with States, international organizations and international agencies on behalf of the Agency, subject to prior approval by the Assembly,

**Further recalling** Article XII, which defines the Budget of the Agency as comprising: (a) mandatory contributions of Members based on the scale of assessments of the United Nations as determined by the Assembly; (b) voluntary contributions; and (c) other possible sources,

**Recognizing** the importance of transparency, accountability, and results-based management in the planning, implementation, and reporting of the Agency's financial and programmatic activities,

**Acknowledging** the need to align the Agency’s reporting practices with international standards and the principles of good governance observed by the United Nations and other intergovernmental organizations,

**Decides as follows:**

## **I. Budget Structure and Definitions**

1. The Assembly adopts the following definitions of the three budgetary categories under Article XII of the Statute, in line with the established practice of the United Nations:

- (a) **Mandatory Contributions (Article XII.A.1)** – to finance core activities and administrative costs, representing the core assessed contributions of Members;
- (b) **Voluntary Contributions** – financial contributions provided voluntarily by Member States, including multi-year donor commitments; and
- (c) **Other Contributions** – resources provided by entities such as the United Nations, international organizations, foundations, philanthropic institutions, private sector actors, and alliances with such entities.

2. The acceptance and management of “Other Contributions” shall be governed by the Agency’s Financial Regulations and Rules. Contributions from private or non-state entities shall be subject to a vetting process ensuring consistency with the Agency’s vision, mission, and values, and to prevent conflicts of interest or association with entities involved in corruption, subject to international sanctions, or whose activities are incompatible with the objectives of the Agency.

3. The results of the vetting process shall be made available to the Membership following administrative and legal clearance.

## **II. Reporting Requirements**

4. The Assembly requests the Director-General to enhance the transparency and detail of the Agency’s financial and programmatic reporting through the **Annual Report, Progress Report, and Work Programme and Budget**, by providing:

- (a) Clear linkages between core, voluntary, and other sources of funding and their corresponding activities, outputs, and expected outcomes;
- (b) Aggregate financial data disaggregated by expenditure type and by division, consistent with the approved organizational structure; and
- (c) Information on any changes to the organizational structure or staffing allocations, together with explanations of their budgetary implications.

5. The Assembly further requests the Director-General to provide comprehensive reporting on:

- (a) All ongoing and planned regional and global initiatives in which IRENA serves as Secretariat, including but not limited to **APRA**, **APRECA**, the **Global Geothermal Alliance**, and **GSEC**, as well as initiatives and fora referenced in paragraph 51 of the Work Programme and Budget, such as cooperation with **ASEAN**, **LAC**, and the **African Union**;
- (b) All partnerships and collaborations with public, private, and intergovernmental entities, including those established under **G7**, **G20**, and **COP** frameworks, specifying the nature of engagement, funding arrangements, total amounts received (including in-kind contributions), and duration; and
- (c) A disaggregated presentation of contributions and expenditures under (i) core assessed contributions, (ii) voluntary contributions, and (iii) other resources.

6. The Assembly decides that the above information shall also be annexed to the **Annual Report** and **Progress Report**, and be structured to align with results-based reporting standards.

### **III. Timeliness and Transparency of Documentation**

7. The Assembly requests that all major documentation—the Annual Report, Progress Report, and draft Work Programme and Budget—be circulated to the Council and Assembly at least **30 days prior** to the respective sessions, to enable adequate review and consultation by Members.

8. In cases where this timeline cannot be met, the **Director-General** shall provide a written explanation to the Council at the time of submission, specifying the reasons for the delay in respect of each document.

### **IV. Efficiency and Staffing**

9. The Assembly emphasizes the need for continued efficiency in spending and effectiveness in the delivery of the Agency's mandate.

10. The Assembly recalls **Article XI, paragraph (C)**, which provides that in preparing the budget, proposed recruitment shall be guided by the principle that the staff shall be kept to a minimum necessary for the proper discharge of the responsibilities of the Secretariat.

### **V. Follow-up**

11. The Assembly requests the **Director-General** to implement the provisions of this Decision and to report on progress to the **Council** and the **next session of the Assembly**.

12. The Assembly invites **Members** to provide further guidance and feedback on the implementation of this Decision through the **Administration and Finance Committee**.