
Twenty-first meeting of the Council
Abu Dhabi, 25-26 May 2021

Note by the Director-General on the Medium-term Strategy 2023-2027

I. Background

1. IRENA's strategic direction and objectives are defined on a five-year basis through the Medium-term Strategy (MTS), developed through a consultative process with Members. IRENA's current MTS 2018-2022 sets out the Agency's mission and provides a four-pillar structure through which the successive Work Programmes are implemented. This approach enables the Agency to maintain stability in its direction while retaining agility in implementing programmatic activities.
2. The MTS also requests a mid-term external evaluation to assess the validity and ongoing relevance of the direction and inform the development of subsequent Medium-term Strategy. Accordingly, an external review was undertaken in 2020¹. The review concluded that the current Strategy's mission and objectives remain valid and can effectively guide the Agency's work for the remainder of the period until the end of 2022. The review also highlighted that participating Members and stakeholders expect IRENA to assertively lead the global energy transition, as its clear mandate and global Membership provide the Agency with a unique position in the global energy landscape.
3. Having reached ten years of existence, IRENA is no longer a new entity. It has matured as an institution, both in its programmatic output and orientation and its global standing and recognition. Its Membership is near-universal, bringing diverse perspectives to IRENA's work and providing a distinct view of the energy, development, and climate interconnections. Defining the strategy for the next five-year period, therefore, requires a careful assessment of the context in which the Agency operates and where its contribution would be most impactful.

II. Future orientation for IRENA

4. The world is going through a challenging period caused by the global pandemic due to widespread uncertainties and new circumstances affecting economies and communities. Simultaneously, pressure is mounting to act on climate change to remain on a 1.5-degree pathway. Less than a decade is left to fulfil the commitment to the UN 2030 Agenda for Sustainable Development. Policymakers are considering these issues in tandem. The impact of COVID-related measures is thus likely to accelerate already established sustainable trends while reshaping several long-standing patterns.
5. The evolution of the global energy system will define many aspects of these diverse yet connected agendas in the coming years. The need for international cooperation is evident as

¹ Medium-term Strategy 2018-2022 – External Evaluation ([C/20/3](#))

the world looks for sustainable solutions to meet energy and economic demands, rectify systemic inequalities, and reverse the climate change trends. Ultimately, the answer will lay in the ability to combine short-term needs with mid- and long-term goals of sustainable development and climate change.

6. Despite the current difficulties caused by the pandemic, countries are increasingly setting binding targets towards net-zero emissions, along with cities, businesses, investors, and other stakeholders. This new movement needs to be operationalised and accompanied by a nuanced approach to energy transitions to embrace a wide range of participants and ensure the change is just, inclusive, and systemic.
7. Ubiquitous in nature, renewables offer an economically attractive answer to climate and energy security concerns and a new prospect for the world's remotest and most impoverished areas to lift millions out of poverty. With a holistic approach, the energy transition can dissipate many geopolitical concerns and offer a new economic, social and environmental frame of reference. It is an opportunity to create new jobs, democratise energy sources and provide energy independence at a local level.
8. IRENA's current strategic direction embraced this vision of the energy future. Members positioned renewables as a central element of energy transitions, transcending the initial focus on the business case of technologies. Since the adoption of the current MTS, new considerations have emerged, most notably the pressing need to accelerate the pace of change and to do so in a just and inclusive manner that leaves no one behind.
9. Energy transitions come with a new set of challenges and uncharted territories that calls for international cooperation that is timely, practical and forward-looking. With its global reach and clear mandate, IRENA can play an instrumental role in ensuring that all Members make the step-change in time for a future that is more inclusive, equitable and resilient.
10. Derived from the IRENA Statute, many of the underpinnings of the current MTS remain relevant but require adjustments to reflect the new global reality. While this new reality will be considered in-depth in the course of discussions on the MTS, several elements and milestones will influence the shaping of the direction:
 - **A decade of action.** The next MTS will cover the most critical part of the decade that will determine whether the 2030 Agenda for Sustainable Development will be achieved while staying on the 1.5-degree pathway. Strategic direction should consider how to best position IRENA in the global landscape to support countries in their transition efforts and shape the solution-oriented energy discourse. IRENA's World Energy Transitions Outlook (WETO) provides a theory of change for aligning the mid-term priorities with the necessary long-term change.
 - **Post-COVID recovery.** The world continues to battle the pandemic, and it is evident that policymakers will continue to play a prominent role in shaping the economic recovery. Indications are that many are making foresighted decisions aligned with climate imperatives, but these will have to be rapidly operationalised. This public intervention should be used strategically to guide the private sector toward investing in a sustainable future. IRENA can be a potent tool in facilitating the intersection of public and private action globally.

- **Paris Agreement and NDCs.** The next round of NDCs is due in 2025, which means that the next MTS will cover a significant part of NDC implementation and the development of subsequent versions. This represents a strategic opportunity to support countries in considering how renewables-based energy transitions can help their priorities across mitigation, resilience and adaptation areas. IRENA's long-standing engagement in NDCs, underpinned by its analytical and empirical excellence, should be effectively leveraged.

11. In line with the above, the next MTS period will require careful consideration of how IRENA's comparative advantages can be successfully prioritised and deployed to drive change at all levels. The institutional energy landscape is rapidly growing, and IRENA should reflect on where it is best placed to lead and where it should contribute to the work of others. In this context, discussions should also help define how to best resource the Agency to empower it to deliver its mandate at this critical juncture.

III. Member engagement in the development of the MTS 2023-2027

12. The current MTS was a product of an inclusive and comprehensive two-year process, which included regular discussions in the Council meetings, supported by a Working Team comprising interested Members to guide and support its development. The eleventh Assembly endorsed such a process for the development of the MTS 2023-2027 as well. Thus, the MTS will be considered at each Council meeting to enable a sustained and inclusive engagement framework.
13. It is envisaged that the Working Team would convene as necessary between the Council meetings to provide substantive input into the deliberation on the next strategic cycle. At the invitation of the Director-General, 8 Members expressed interest in participating in the Working Team. The Team, supported by the Secretariat, would develop its work plan based on Members' input. Such a work plan would be refined as needed, given the regular Council considerations of the future MTS.
14. It is proposed that the Working Team applies the approach taken by the Collaborative Frameworks, co-led by two Members and open to the participation of the Membership. Unlike the Collaborative Frameworks, the MTS Working Team would comprise Members only. Nevertheless, they could invite external participants for a specific discussion if deemed appropriate and valuable.
15. The draft MTS 2023-2027 will be presented to the Assembly for its consideration at its thirteenth session in January 2023. According to this timeline, the Council will finalise its recommendation to the Assembly at the fall meeting in 2022.

IV. Guiding Questions

- What should be the key building blocks of the MTS 2023-2027?
- Do the above elements encompass the key trends of high relevance for the next five-year period? What other areas should be added?
- What do Members see as main comparative advantages of the Agency?
- Does the proposed process for the MTS development provide a reasonable framework for engagement?