

**SUBMISSION NO.5**  
**TT 2 & 4 February 2010**

**Response to Questions on Notice on the Ratification of the Statute of the International Renewable Energy Agency (IRENA) from the Joint Standing Committee on Treaties Hearing on Monday 15 March 2010, concerning Treaties tabled on 4 and 24 February 2010**

*Question on Notice:*

**1. Could we have some background history on its origins and its time lines up to this stage of membership? Who is chairing it and who is on it? (Senator McGauran, TR4)**

*Answer:* A brief history of the origins of IRENA's formation follows.

In January 2007, the German Government initiated a series of bilateral discussions to gather support for the establishment of IRENA. In April 2008, the German Federal Government hosted a Preparatory Conference for the Foundation of an International Renewable Energy Agency (IRENA) in the German Federal Foreign Office in Berlin. 60 countries attended, to discuss the possible objectives, activities, organisation and finance of an IRENA. This was followed by a workshop on 30 June and 1 July 2008 to develop IRENA's Statute and possible institutional framework.

In October 2008 the German Government released a formal proposal document on the establishment of IRENA<sup>1</sup>. The final intergovernmental Preparatory Conference for IRENA was held on 23-24 October 2008 in Madrid, Spain, to finalise the IRENA Statute. Over 50 countries attended, including Australia.

The International Renewable Energy Agency (IRENA) was officially established in Bonn on January 26 2009. 125 delegations attended the Founding Conference, including Australia, and a total of 75 nations signed the IRENA Statute. The Founding Conference established the Preparatory Commission and Administrative Committee to oversee the development of the IRENA in the phase before the Statute comes into force. The Preparatory Commission assembled for its first session the day after the Founding Conference, on 27 January 2009 in Bonn (Chaired by Germany). In the course of the first session the Commission discussed the next steps for IRENA, and agreed to establish a Committee for the selection of the Interim Director-General, and a Committee for the selection of the interim headquarters. The Preparatory Commission also established the Administrative Committee to assist the Preparatory Commission with the development of documents like the Work Program and supporting legal documents (Germany chairs this Committee).

The Prime Minister announced on 17 May 2009 that Australia would join IRENA.

The second session of the Preparatory Commission took place in Sharm El Sheikh, Egypt, on 29-30 June 2009 (Chaired by Egypt). Australia joined IRENA at this meeting by signing the Statute on 29 June 2009. During the second session, the Preparatory Commission determined the Agency's interim headquarters and its Interim Director-General. The Commission designated Abu Dhabi, the capital of the United Arab Emirates, as the interim headquarters.

At the same time it was decided that Bonn (Germany) will host IRENA's centre of innovation and technology and Vienna (Austria) will become the Agency's liaison office for cooperation with other organisations active in the field of renewable energy.

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<sup>1</sup> [http://www.irena.org/downloads/IRENA\\_brochure\\_EN.pdf](http://www.irena.org/downloads/IRENA_brochure_EN.pdf)

Both Germany and Austria will be funding the operation of these centres over and above the contribution they will make to the operation of IRENA. Ms. H  l  ne Pelosse was appointed the Interim Director-General of IRENA. This meeting also took decisions regarding the initial work program, financial regulations, staff regulations, and budget. A total of 134 nations participated as signatory member of IRENA at this meeting, including first time participants the USA, Japan, the United Kingdom, Australia, and India.

The third session of the Preparatory Commission for IRENA (Chaired by the United Arab Emirates) took place on 17 January 2010. Delegates from over 120 IRENA member states met in Abu Dhabi, United Arab Emirates, to finalise the Agency's Work Program and Budget for 2010, in addition to a number of legal documents managing finance and personnel operations. By this time the Headquarters had commenced initial operations with a small number of staff in the interim headquarters location.

The practice is that each Preparatory Commission is chaired by the country hosting the meeting.

*Question on Notice:*

**2. In terms of signatories and the list that we have been provided with – one through to what you say is now 143; we have only 142 before us – are you able to provide us with the actual amount in US dollars that each country will be providing initially? (Senator Cash, TR7)**

*Answer:* A full list of the current IRENA membership and ratifications, as at 15 March 2010, is at **Annex A**.

A copy of the IRENA 2010 Work Program and Budget for IRENA is at **Annex B**. Annex IV of this document, starting on page 50, provides a schedule of the financial contributions that IRENA members have been requested to contribute in 2010, based on the number of IRENA signatories as at 17 January 2010. As such, this schedule does not include adjustments for additional members from that date, such as Mozambique which joined on 12 February 2010.

*Question on Notice:*

**3. In terms of the budget it says:**

*3. other possible sources in accordance with the financial rules to be adopted by the Assembly by consensus....*

**Do you have any further information for us in relation to what that actually means? (Senator Cash TR8)**

*Answer:* Under the interim financial rules of IRENA<sup>2</sup> other income is defined as:

***Regulation 8.1***

***Definition***

*All other income except:*

- (a) contributions by Members according to the indicative IRENA scale of contributions,*
- (b) contributions specified for a purpose; and*

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<sup>2</sup> Found at

[http://www.irena.org/downloads/PrepCom/IRENA\\_PC.2\\_dc.4\\_interim\\_financial\\_regulations\\_30\\_6\\_2009.pdf](http://www.irena.org/downloads/PrepCom/IRENA_PC.2_dc.4_interim_financial_regulations_30_6_2009.pdf)

*(c) direct refunds of expenditures made during the financial period;  
shall be classed as miscellaneous income, for credit to the General Fund.  
(IRENA interim Financial Rules 2009: p8)*

This definition is part of the interim arrangements. A final definition of other income will be determined by the First Assembly of IRENA.

For example, as noted above, Germany and Austria will meet the costs of IRENA offices in their countries, and this commitment is above the contributions that they will make according to the schedule contained in Annex B.

***Question on Notice:***

**4. Are you able to provide us with a list of those countries who either are or are considering providing further voluntary contributions? (Senator Cash TR8)**

**Answer:** The IRENA Statute makes provision for member countries to provide contributions over and above their mandatory financial contributions as determined by the Assembly and in accord with the agreed Work Program and Budget. The provision also allows for economic integration organisations like the European Commission to make a contribution in addition to the country contributions individually made by European Commission member countries.

According to the report on the 2009 IRENA Work Program and Budget<sup>3</sup>, IRENA currently has an operating reserve of \$5.4 million, all of which was funded by voluntary contributions. We understand that Austria, Denmark, Germany, France, India, Spain and the United Arab Emirates have made voluntary financial contributions to IRENA.

In terms of countries which are considering providing further voluntary contributions, the United Arab Emirates, Germany, and Austria, have indicated they will be providing a voluntary contribution to support the operation of the IRENA facilities in Abu Dhabi, Bonn, and Vienna.

***Question on Notice:***

**5. And you will provide that to the committee. (The 2010 agreed IRENA work program). (Senator Cash, TR8)**

**Answer:** A copy of the IRENA 2010 work program is attached at **Annex B**

***Question on Notice:***

**6. To wrap it all up, could you perhaps submit forward budget estimates, both membership and general expenditure, for this item? (Senator McGuaran TR13)**

**Answer:**

The forward budget for Australia's participation in IRENA was determined in May 2009 between the Department of Resources Energy and Tourism and the Department of Finance and is made of the following components:

- \$1.4 million per annum for the years 2010-11 to 2012-13 has been set aside from the Australian Centre for Renewable Energy's budget to cover Australia's annual membership contribution to IRENA. Should Australia provide a contribution in

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2010, that contribution would be approximately \$370,000AUD, as the requested 2010 contribution from Australia is now \$336,120USD (see page 50 of the IRENA 2010 Work Program and Budget). Australia's membership contributions in forward years will depend on a number of factors, including work programs, budgets, and membership level.

- Approximately \$250,000 per annum has been allocated for staff and associated administrative costs.