

INTERNATIONAL RENEWABLE ENERGY AGENCY

Twelfth meeting of the Council

Abu Dhabi, 1 – 2 November 2016

**Note of the Director-General
Framework for the Medium-term Strategy 2018-2022****I. Introduction**

1. This note is prepared to facilitate Members' discussion on the Medium-term Strategy (MTS) for 2018-2022. Building on the ongoing process of targeted discussions on strategic and programmatic matters, the Director-General proposed and the Assembly agreed to integrate the discussion on the MTS in the Council meetings to enable a sustained and inclusive framework of engagement. The draft MTS for 2018-2022 will be presented to the Assembly for its consideration at its eighth session in January 2018. Following this timeline, the Council should make its recommendation on the next MTS at its fall meeting in 2017, along with the proposed Work Programme and Budget for 2018-2019.

II. MTS 2013-2017

2. The current MTS was developed in response to the request by the Assembly at its first session to, "clearly define vision, strategic directions, objectives and activities of the Agency"¹. The Director-General, in cooperation with the Council, undertook extensive internal and external consultation in the formulation of the Agency's first MTS, which was adopted at the third Assembly session in January 2013². MTS identified the key parameters favoring the deployment of renewables, including falling costs of technologies, and growing awareness of related impacts such as employment and universal access. It also highlighted key opportunity areas for the nascent Agency with the dual purpose of strengthening the business case of renewable energy and establishing IRENA as the global voice for renewable energy.

3. Guided by the overall vision as outlined in the Statute, IRENA's vision for its MTS was defined to be, "the principal platform for international cooperation, a centre of excellence on renewable energy and a repository of policy, technology, resource and financial knowledge and to support countries in their transition to a renewable energy future". The MTS envisaged IRENA to become an authoritative global voice for renewable energy, delivering its mandate through leadership along three key pillars:

- Centre of excellence for renewable energy;
- Renewable energy advisory resource for countries;
- Network hub of country, regional and global programs.

¹ A/1/DC/8

² A/3/DC/14

4. The MTS took a unified approach in which all relevant activities were integrated under these pillars. They cut across programmatic themes and internal organizational structure, and were independent of the source of funding. The MTS also defined fundamental values to guide the Agency's work, highlighting among other things its work with both developing and developed countries, its objectivity and neutrality with respect to all renewable technologies, as well as its responsiveness and action-oriented approach.

III. MTS 2018-2022

5. The developments during the past few years exceeded the expectations of even most optimistic supporters of renewable energy. The remarkable progress achieved during this period altered the perception of renewable energy as a niche technology option in the energy mix. The transformational trend triggered by renewable energy is today reshaping societies and economies. Ubiquitous in nature, it offers an economically attractive answer to climate and energy security concerns, and new opportunities for sustainable livelihoods for the millions who lack energy access today. Its business case is strong and continuously improving with falling costs and technology advancements. Renewables are now synonymous with an immediate, future-proof solution for the growing global demand for energy.

6. Among the many significant changes that took place in the past couple of years, the emergence of the Nationally Determined Contributions (NDCs) - a backbone of the Paris Agreement - is of particular note. With 75³ ratifying Parties, the Paris Agreement will enter into force on 4 November 2016, much earlier than anticipated. This is sending a strong message of the commitment to act on climate change, with decarbonization of the global energy system at the heart of the agenda. In preparation for COP21, over 100 countries indicated that national deployment of renewable energy would be part of their contribution to the common effort on climate change. In addition, the multi-stakeholder platform for climate action has shown that non-state players are already actively committing to renewables. For instance, 81 companies are now members of the RE100 initiative, accounting for renewable energy demand of some 100 TWh per annum. Combined, NDCs and the climate action movement, underpinned by the Agenda 2030, have the potential to dramatically and swiftly change the renewable energy outlook, leaving behind the time of incremental changes, and entering an age of disruption.

7. Triggered by a range of developments in the sector and the new international framework for cooperation, and their impact on IRENA's programme and resources, there has been a number of discussions of relevance for the MTS 2018-2022⁴. Early discussions on the strategic priorities commenced in the course of 2014, within the context of discussion on the future financing of the Agency. In addition, the MTS 2013-2017 was reviewed in 2015⁵ through several rounds of discussions with Members, supported by the findings of external evaluation of IRENA's impact.

8. A focused discussion on the strategic considerations for 2018-2022⁶ was held at the 11th Council meeting in May 2016. Members highlighted some of their key priorities that should be considered as the Agency charts its new path. These include:

- Playing a key role in the context of climate, including supporting countries in the implementation of NDCs;

³ 10 October 2016

⁴ Footnote different Council and Assembly documents on future financing etc A/5/16, C/11/DN/6

⁵ A/6/11

⁶ C/11/DN/6

- An active role in the achievement of SDG7 on energy, and streamlining renewables across the SDG agenda;
- Assisting countries in realizing their energy transformation;
- Shaping the global renewable energy agenda, including through involvement in some of the key multilateral processes (UN, G7, G20, etc.) and with key regional entities;
- Considering renewables in the context of the energy system, including the infrastructure and efficiency needs;
- Deepening the focus on innovation;
- Integrating energy access as a strategic priority;
- Providing a platform for multi-stakeholder networks; and
- Facilitating peer-to-peer interaction to share knowledge and experience, provide advice and accelerate global learning curve.

9. Recognizing the near-universal membership and growing demands on the Agency, Members also stressed the importance of effective prioritization, and of striking the right balance between upstream work and action at the country and regional level. There was a common understanding that human and financial resources will have to be made available if the Agency is to advance its important mission, and this aspect should be incorporated in the MTS 2018-2022.

IV. Framework for the future

Mission

10. The transition to a low carbon energy system is not a burden the world must shoulder, but an enabler of change. In its abundance, renewable energy has the potential to dissipate many of the geopolitical concerns, and offer a new economic, social and environmental frame of reference. It is an opportunity to create new jobs, democratize energy sources and provide energy independence at a local level. It is the prospect of deploying low-cost technologies in the remotest and poorest areas of the world to lift millions out of poverty. As a result, accelerating the deployment of renewable energy is more than the sum of its parts. IRENA's mission statement for the next strategic period should reflect this change.

Strategic direction and objectives

11. Derived from the IRENA Statute, many of the underpinnings of the current MTS remain relevant, but require adjustments to reflect the new global reality. Being an authoritative global voice for renewable energy remains an important role for the Agency, but Members indicated that it needs, and can do more. With its global, focused mandate and strong engagement of Members, IRENA is uniquely placed to play a leading role in the transformation of the energy system, permeating the benefits of renewables across sectors, economies and communities. The discussions to date may be consolidated along the following strategic objectives:

- Centre of excellence. Providing state-of-the-art information, analysis and data remains central to IRENA's mandate. To drive the transformation of the energy system, IRENA will consider

renewables in the broader energy context that takes into account all sectors and the related infrastructure.

- Source of advice. Supporting countries in their national and regional efforts is a critical function that translates knowledge products into on-the-ground change. This includes the development and dissemination of tools, methodologies and pathways, as well as technical assistance when requested. Considering near-universal membership, this assistance will be prioritized to maximize cross-pollination of successful experiences, and accelerate the common and inclusive learning curve.
- Voice for renewables. Many of the renewable energy technologies have a strong and well-known business case. Continued focus on the business case of all sources and technologies will be required to achieve the global ambition for the energy sector, and IRENA will maintain its role as an authoritative voice. To fully exploit the potential of renewables, IRENA will promote a holistic approach that maximizes economic, social and environmental benefits.
- Conduit for energy transformation. With its global membership and wide reach, IRENA will be a locus of partnerships, transcending traditional approaches and modes of cooperation. It will facilitate peer-to-peer collaboration and engage diverse stakeholders who play – or need to play - a part in the transformation of the energy system.

12. The next MTS period will require a careful consideration of how IRENA’s comparative advantages can be effectively prioritized and deployed to drive change at all levels. Renewable energy institutional 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, the MTS 2018-2022 should define how to best resource the Agency to empower it to deliver on its mandate at this critical juncture.

V. Questions

- In shaping the new MTS, what do Members see as main comparative advantages of the Agency?
- How should IRENA’s mission statement for 2018-2022 best reflect the changed environment and the Agency’s role therein?
- Do the above elements encompass the strategic objectives and direction for the next five years?
- How should the resource requirements be integrated in the MTS? Would Members be prepared to make specific proposals and commitments beyond the biennial programmatic cycle?