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IARC, Lyon

Thursday 14 May 2009, at 14:35

Chairperson: Professor Lars E. Hanssen (Norway)

Secretary: Dr Christopher P. Wild, Director, IARC

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Participating States Representatives

Professor Lars E. HANSSEN, ***Chairperson*** Dr Henrietta BLANKSON	Norway
Professor Pekka PUSKA, ***Vice-Chairperson***	Finland
Dr Mark PALMER, ***Rapporteur***	United Kingdom of Great Britain and Northern Ireland
Mr Sanjeev COMMAR	Australia
Ms Simone MESNER Dr Hemma BAUER	Austria
Dr Margareta HAELTERMAN	Belgium
Dr Gloria WISEMAN Dr Ariff ALLY Mrs Christine FITZGERALD	Canada
Professor Herman AUTRUP	Denmark
Mme Pascale FLAMANT Dr Raymond PAMPHILE Dr Rosemary ANCELLE-PARK Dr Guilherme DE LEMOS	France
Dr Irene KEINHORST Mr Thomas IFLAND	Germany
Dr R.K. SRIVASTAVA	India
Dr John DEVLIN	Ireland
Dr Stefano FAIS	Italy
Dr Toshiyasu SHIMIZU	Japan
Mr Jeroen HULLEMAN	Netherlands
Mr Duk-Hyoung LEE Mrs Bo-Young YOO Mr Young-Sung LEE Professor Mong-Sei SOHN	Republic of Korea
Dr Oleg P. CHESTNOV Ms Nadezhda KULESHOVA	Russian Federation

Dr Carlos SEGOVIA	Spain
Professor Håkan BILLIG	Sweden
Dr Diane STEBER	Switzerland
Mr James KULIKOWSKI Dr Joe HARFORD Dr Mary C. WHITE	United States of America

World Health Organization

Dr Ala ALWAN, Assistant Director-General
Dr Fiona ADSHEAD, Director, Chronic Diseases and Health Promotion
Ms Joanne MCKEOUGH, Office of the Legal Counsel
Dr Andreas ULLRICH, Cancer Alliances

Observers

Dr Harry COMBER, Incoming Chairperson, Scientific Council
Professor Jack SIEMIATYCKI, Outgoing Chairperson, Scientific Council

International Union Against Cancer (UICC)

Ms Isabel MORTARA

Secretariat

Dr C.P. WILD, *Secretary*	Dr M.-P. CURADO	Dr H. OHGAKI
Mr P. KNOCHE	Ms D. D'AMICO	Dr M. PASTERK
	Dr S. FRANCESCHI	Dr R. SANKARANARAYANAN
Dr P. AUTIER	Dr N. GAUDIN	Dr H.-R. SHIN
Dr P. BOFFETTA	Mr G. GUILLERMINET	Dr N. SLIMANI
Dr P. BRENNAN	Dr P. HAINAUT	Mr M. SMANS
Dr G. BYRNES	Dr Z. HERCEG	Dr S. TAVTIGIAN
Dr V. COGLIANO	Dr O. KELM	Dr M. TOMMASINO
	Dr A. KESMINIENE	Dr L. VON KARSA

1. REPORT OF THE SCIENTIFIC COUNCIL ON ITS FORTY-FIFTH SESSION: Item 7 of the Agenda (Document GC/51/4) (continued)

DIRECTOR'S RESPONSE TO RECOMMENDATIONS OF THE SCIENTIFIC COUNCIL: Item 8 of the Agenda (Document GC/51/5) (continued)

Mrs FITZGERALD (alternate to Dr Wiseman, Canada) said that, in her opinion, Article VI of the Agency's Statute clearly defined the role and responsibilities of the Scientific Council. However, it was difficult for the Scientific Council to evaluate the activities of the Agency without a clear strategy against which it could judge them. She was encouraged by the Director's plans to draw up clear strategies for future activities, although they would, naturally, be subject to the approval of the Governing Council.

The RAPPORTEUR read out the following draft resolution on the report of the Scientific Council (Resolution GC/51/R3):

The Governing Council,

Having reviewed the Report presented by the Forty-fifth Scientific Council (Document GC/51/4) and the Director's response (Document GC/51/5),

1. NOTES the Report with great interest;

2. CONGRATULATES the members of the Scientific Council for their constructive and excellent work; and

3. COMMENDS the Director for his constructive responses to the recommendations of the Forty-fifth Session of the Scientific Council.

The draft resolution was **adopted.**

2. UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR 2008: Item 9 of the Agenda (Document GC/51/6)

Mr KNOCHE (Acting Director of Administration and Finance), illustrating his remarks with slides, said that the interim financial report had been submitted in accordance with Article VI of the Agency's Financial Regulations. In 2008, the regular budget had been US$ 22.351 million and the rate of collection had been 87.84%; the shortfall of US$ 2.7 million had been covered by a temporary transfer from the Working Capital Fund which had been restored to it once the contributions had been received in 2009. The Working Capital Fund had therefore been restored to the approved level of US$ 4.6 million in 2009.

The average United Nations exchange rate during the year had been lower than the rate used for the approved programme budget by 16.2%. Consequently, the Agency had suffered a significant exchange rate loss, US$ 2.245 million of which had been covered from the Governing Council Special Fund, while other losses had been absorbed by keeping vacant posts unfilled and reducing some activities. Details of the Governing Council Special Fund could be found in Schedule 2 of document GC/51/6. The uncommitted balance of the Fund had been US$ 0.7 million at the end of 2008; a hiatus funding facility, which had been established in 2007 (Resolution GC/47/R7), would allow expenditure not exceeding US$ 500 000 subject to an adequate cash balance in the Fund.

Details of the Voluntary Contributions account, which stood at US$ 7.7 million, could be seen in Statement I. The total advances from the loan facility of the Governing Council Special Fund stood at US$ 2.9 million and US$ 0.9 million had been temporarily advanced from undesignated contributions to commence projects. As all income would be recognized in the future on an accrual basis in accordance with International Public Sector Accounting Standards (IPSAS), it was planned to recover the funds in 2009. At 31 December 2008, the account balance had been US$ 8.9 million.

Mrs FITZGERALD (alternate to Dr Wiseman, Canada) said that Canada recognized the challenges inherent in adopting IPSAS but appreciated the benefits they provided in terms of increased transparency and accountability. Adoption of the euro should reduce the losses suffered by the Agency as a result of exchange rate fluctuations. She asked what action was being taken to record and recover outstanding contributions, which had been owed by some countries since 2001.

Mr KNOCHE (Acting Director of Administration and Finance) said that IARC was committed to implementing IPSAS, but that it was not an easy exercise, given the changes required not only in financial reporting, but also in the way expenses were recognized. It was hoped to move to full IPSAS compliance by 2010. Details of outstanding contributions were contained in Schedule 1 of the report; negotiations for payment were ongoing with Argentina and Brazil, which had shown some interest in rejoining the Agency. He confirmed that both Italy and the United States of America had paid their dues.

Dr HARFORD (alternate to Mr Kulikowski, United States of America) noted that the Agency's regular budget had ended the year on a positive note, with income exceeding expenses; he was reassured to learn that would also be the case for the voluntary contributions account and the Governing Council Special Fund in 2009.

The RAPPORTEUR read out the following draft resolution on the Unaudited Interim Financial Report for the year 2008 (Resolution GC/51/R4):

> The Governing Council,
>
> Having examined the Unaudited Interim Financial Report for the year 2008, as contained in Document GC/51/6,
>
> APPROVES the Unaudited Interim Financial Report for the year 2008 on the financial operations of the Agency.

The draft resolution was **adopted**.

3. REQUEST FOR INCREASE TO THE PROVISION TO COVER UNFORESEEN BUDGETARY COSTS DUE TO CURRENCY REALIGNMENTS: Item 10 of the Agenda (Document GC/51/7)

Mr KNOCHE (Acting Director of Administration and Finance) said that document GC/51/7 set out a request for the Secretariat to call upon a budgetary exchange loss provision of US$ 5.1 million during 2008–2009 in accordance with resolution GC/49/R9. Only actual exchange losses would be charged to the facility. US$ 3.5 million of that sum had already been committed and a further US$ 1.6 million would have to be financed from additional income if it were needed.

Responding to a question from Dr HARFORD (alternate to Mr Kulikowski, United States of America), he explained that the new income would be derived inter alia from interest and sales of publications as the Agency was not allowed to borrow funds. Responding to a question from Mrs FITZGERALD (alternate to Dr Wiseman, Canada), he said that precautionary measures would include delaying recruitment, reducing travel and signing fewer contracts with partners if insufficient funds were available. Exchange rate losses were monitored each month, so there would be early warning signs if the Agency were about to go over budget.

The RAPPORTEUR read out the following draft resolution on the request for increase to the provision to cover unforeseen budgetary costs due to currency realignments (Resolution GC/51/R5):

The Governing Council,

Having taken note of Document GC/51/7 relating to a proposed increase to the provision to cover unforeseen budgetary costs due to currency realignments,

Recalling its Resolution GC/49/R9 which granted authority to the Director to use a maximum of US$ 3 500 000 in the biennium 2008–2009 to cover unforeseen budgetary costs due to currency realignments,

1. DECIDES to authorize the Director to increase from US$ 3 500 000 to US$ 5 100 000 the amount to be used to cover unforeseen budgetary costs due to currency realignments in the biennium 2008–2009, from the Governing Council Special Fund; this authority being dependent upon there being sufficient cash balances available in the Special Fund; and

2. FURTHER DECIDES that the aforesaid authorization will remain in effect until 31 December 2009, i.e. the end of the biennium preceding the change of the base currency of the Agency from the US dollar to the euro.

The draft resolution was **adopted**.

4. PROPOSED PROGRAMME (2010–2013) AND BUDGET (2010–2011): Item 11 of the Agenda (Document GC/51/8)

Mr KNOCHE (Acting Director of Administration and Finance), illustrating his remarks with slides, drew attention to document GC/51/8, containing the proposed programme (2010–2013) and budget (2010–2011); tables reflecting the new €/US$ exchange rate were given in document GC/51/8 Rev.1. The budget had been submitted in accordance with Article VIII of the IARC Statute and Article III of the Financial Regulations; it would be prepared in euros from 2010 in accordance with resolution GC/48/R6. Two new Participating States: Ireland and Austria, had been accepted in 2007 and 2008. Resolution GC/50/R17 of May 2008 had recorded the decision that no current Participating State should have an increase in its contribution as a consequence of the admission of a new Participating State.

Budget proposals had been drawn up by Cluster Heads and submitted to the Cabinet in September 2008; the Scientific Council had reviewed them in January 2009 and had recommended them for adoption by the Governing Council. The document presented was an integrated budget that included the regular budget, which was financed from assessed contributions from Participating States. It also gave conservative estimates of voluntary contributions and programme support cost expenditure. Page 60 of the budget document showed the computations used, including the contributions from the new Participating States. There were three appropriation sections: meetings of the Governing and Scientific Councils; the Scientific Programme; and administrative support services, the tables for which were summarized on page 57. According to IARC Regulations, the Director had the freedom to move up to 15% of the budget allocation from one section to another and to reallocate resources within a section. The new Director had decided to support the budget, as he would have the flexibility to implement his proposed changes. There was no plan to increase the number of professional posts from the current 62, but it was proposed to add a further 4.5 posts to the general service positions to ensure that all Groups had adequate secretarial support. Pages 69–72 showed the areas of work in the Scientific Programme and the staff assigned to them. The allocations were also shown according to the Group structure.

The assessment of Participating States was based on resolution GC/15/R9, according to which 70% of the total budget was allocated equally among them. 30% was allocated according to a unit system taking into account national resources, based on five groups within the WHO scale of assessment. The proposed assessments were set out on page 68 of the document. The Agency had experienced significant exchange rate losses between January 2008 and May 2009. Some Participating States, particularly those having the euro as their national currency, had benefited from the low US dollar exchange rate. As the expenditure of the Agency was 80% in euros and 20% in US dollars, it would be exposed to less risk from currency realignment. The appreciation of the US dollar had caused a revision of the budget as shown in document GC/51/8 Rev.1. The revision showed an increase of 2.581%, which would have meant an increased contribution for Germany, Japan and the USA and therefore the Governing Council had not been asked to accept the revised figures.

Dr KEINHORST (Germany) welcomed the move to use the euro to calculate the budget, as it would bring security to financial planning. Nevertheless, Germany was concerned that the budget lacked transparency in relation to the exchange rates: the rate of 0.815 €/US$ used to establish the budget had been too high. In her view, the assessments for Germany had increased by 18.9% between 2008 and 2010, although the budget showed a decrease of 1.99%. Therefore, she could not agree to the budget as presented. The budget had increased because of the exchange rate changes and because of the addition of new Participating States.

Mr KNOCHE (Acting Director of Administration and Finance) said that the exchange rate of 0.815 €/US$ had been used to establish the budget because it had been approved for use in 2008–2009. The US dollar had depreciated during the biennium and the resulting losses had been, and would continue to be, covered by the Governing Council Special Fund. The contribution of Participating States having the euro as their national currency had been considerably less than they might have expected in 2008–2009 because of the fall in the value of the dollar. The Agency could not continue to factor in those losses going forward. If the new exchange rate of 0.754 €/US$ were to be applied, the Agency would suffer a loss of € 2.8 million. An alternative method of calculating the budget would be to factor in all the exchange rate losses experienced by the Agency and currently covered by the Special Fund multiplied by 0.754, which would give approximately the same amount as currently being asked for. As shown on page 60 of the document, a conservative approach had been taken on including the two new Participating States, which had resulted in a credit to existing States.

Dr KEINHORST (Germany) said that if the alternative method mentioned by Mr Knoche had been used, the budget would have been more transparent and easier to understand. She still believed that the way the assessment of new Participating States had been calculated had caused an increase in the assessments for existing States.

Mr KNOCHE (Acting Director of Administration and Finance) said that the detailed assessments were given on page 68 of the budget and showed a decrease of some 3% for Germany. The assessments for new Participating States: Austria, India, Ireland and the Republic of Korea had financed a decrease for existing States.

Dr KEINHORST (Germany) said that her Ministry of Finance could not approve the exchange rate proposed to calculate the budget.

The CHAIRPERSON explained that in the 2008–2009 budget, the exchange rate had been favourable to countries using the euro as their national currency and they had effectively experienced a discount in that biennium. A similar discount could not be carried forward or financed from the Governing Council Special Fund for the 2010–2011 biennium.

Dr HARFORD (alternate to Mr Kulikowski, United States of America) agreed with the Chairperson’s interpretation of the budget, pointing out that, in the future, countries having non-euro based currencies would bear the exchange rate risk. He could support the proposed budget, as it appeared to be responsible and moderate and the Director had indicated that he would make efficiencies where possible.

Dr PALMER (United Kingdom of Great Britain and Northern Ireland), Rapporteur, said that he believed the explanation concerning exchange rates provided an accurate assessment of why some countries had seen an increase in their contributions. Given that approximately 80% of expenditure had always been in euros, a presentation of expenditure in both financial periods would have provided a more helpful comparison of costs. He could support the budget as presented.

Mr KNOCHE (Acting Director of Administration and Finance) said that, in terms of calculating buying power, if the budget for 2008–2009 were added to the amount borrowed from the Governing Council Special Fund during the period, it would equate to the same buying power being requested for 2010–2011.

Ms FLAMANT (France) said that France welcomed the calculation of the budget in euros; France had been exposed to the risk of exchange rate fluctuations, which had been to its benefit in the recent past. Her country approved the budget.

Professor PUSKA (Finland), Vice-Chairperson, supported by Dr SEGOVIA (Spain), said that IARC was an important Agency, which should be given the resources to carry out its tasks. In contrast to their contributions to WHO, small countries paid relatively large sums to the Agency and therefore he appealed to the large countries not to seek to lower their contributions. Finland was a euro country, like Germany, and had thus benefited from the exchange rate in recent years. Finland completely supported the budget.

Professor BILLIG (Sweden), endorsing Professor Puska's comments, said that the switch to the euro would be an inconvenience for euro-currency nations in the short term but an advantage in the long run. He supported the budget.

Mr HULLEMAN (Netherlands) said that the Netherlands approved the budget, but understood the requests for more transparency in the presentation of the budget document in future.

The CHAIRPERSON said that, once the switch to euros had taken place and IPSAS had been fully implemented, the budget would indeed be more transparent.

Dr SHIMIZU (Japan) and Mrs Bo-Young YOO (Republic of KOREA) said that they accepted the budget as presented.

There followed an exchange of views during which the CHAIRPERSON noted that there was general agreement on adoption of the budget although the representative of Germany had continuing concerns. Responding to a comment from Dr KEINHORST (Germany) that it would be a great deal easier for countries such as her own to justify requests to their finance ministries if budget proposals were presented in a more transparent manner, he confirmed that would be the case in future. Furthermore, it could be guaranteed that existing States would have no increase as a result of the inclusion of new Participating States. He believed that, in terms of exchange rates, Germany should recognize that it had been fortunate in the past.

Dr FAIS (Italy) said that he approved the budget but he would still need to convince his authorities to provide the funding, in that regard, a more transparent presentation of the budget would be helpful.

Dr KEINHORST (Germany) said that she did not wish to give the impression that her country wanted IARC to cut down on its research, but she did wish to request that the budget be updated in May each year, when the new United Nations exchange rate became available.

Mr KNOCHE (Acting Director of Administration and Finance) explained that an updated budget calculated using the new exchange rate as of May 2009 had been given in document GC/51/8 Rev.1; that budget would not be implemented, as it would represent an increase in assessments for some Participating States.

Responding to a question from Dr HAELTERMAN (Belgium) he said that it would be difficult for the Agency to reduce the 25% allocated for general service and support costs as it had assumed a lot of additional administrative functions which had formerly been carried out by WHO.

The RAPPORTEUR read out the following draft resolution on the Proposed Programme (2010–2013) and Budget (2010–2011) (Resolution GC/51/R6):

The Governing Council,

Having reviewed the Agency's Proposed Programme (2010–2013) and Budget for the biennium 2010–2011 as contained in Document GC/51/8 and summary tables,

1. APPROVES the budget for the biennium 2010–2011 at the level of € 37 911 000;

2. DECIDES that the budget shall be financed by annual assessments on Participating States as follows:

(a) € 18 760 000 shall be assessed on Participating States on 1 January 2010,

(b) € 19 151 000 shall be assessed on Participating States on 1 January 2011,

3. RESOLVES to appropriate an amount of € 37 911 000 for the biennium 2010–2011 as follows:

Appropriation section	Purpose of appropriation	Amount (€)
1.	Governing and Scientific Councils	165 000
2.	Scientific Programme	28 622 300
3.	General Services and support	9 123 700
	Total appropriated	37 911 000

4. DECIDES that the Director shall have authority under Financial Regulations Article III, Paragraph 3.3 to transfer credits between sections of the budget, provided that such transfers do not exceed 15% of the section from which the credit is transferred. Transfers in excess of 15% of the section from which the credit is transferred may be made with the prior written concurrence of the majority of the Members of the Governing Council;

5. DECIDES

(1) to grant authority to the Director to use a maximum of € 1 000 000 in the biennium 2010–2011 from the Governing Council Special Fund to cover unforeseen budgetary costs due to currency realignments, subject to availability of cash balances in the Fund;

(2) that these additional budgetary costs shall be charged directly to the Governing Council Special Fund and shall not affect the level of the budget;

6. REQUESTS the Director to report on the use of the Fund for this purpose in future financial reports.

The draft resolution was **adopted**.

5. FINANCIAL IMPLICATIONS OF THE ACCEPTANCE OF NEW PARTICIPATING STATES: Item 12 of the Agenda (Document GC/51/9)

Mr KNOCHE (Acting Director of Administration and Finance), illustrating his remarks with slides, recalled the concern of existing Participating States that their contribution to the regular budget would increase as a result of the addition of new Participating States. The Governing Council had requested that the Secretariat should study the financial implications of the admission of Participating States and report to the Council. The report was presented in document GC/51/9.

Under the current system, 70% of the budget was distributed equally between Participating States and 30% was assessed according to a unit system, with increases being shouldered by all Participating States and larger States paying a higher proportion. Increases could be avoided if the overall budget were controlled at the time when a new Participating State joined the Agency. Alternatively, the assessment could be divided by the number of Participating States, each of which could pay an equal amount, but that option would not take into account the resources of Participating States and was not a mechanism used in other United Nations agencies. Another method would be to change the split to 50:50 or 90:10.

On the question of the contribution of new Participating States, resolution GC/37/R9 provided for a gradual increase, with 25% being paid in the first year, 50% in the second year, 75% in the third year and 100% in the fourth. The intention of the resolution was to encourage new States to join, although it was difficult to assess whether that arrangement had been a decisive factor in encouraging new Members. The Secretariat had concluded that the easiest way to ensure that existing States did not pay more when new ones joined was to control the overall budget level and the budget proposal for 2010–2011 had been prepared to reflect that conclusion.

Dr SEGOVIA (Spain) said that he would prefer to decide how much each Participating State should pay after having determined the budget required in relation to the capacity of the Agency.

The CHAIRPERSON explained that the problem had been the objection of some Participating States to paying an increased contribution when new Members joined. In the interests of clarity, there needed to be a set mechanism for determining the assessments.

Dr KEINHORST (Germany) said that she agreed with the conclusions set out in the report and believed the 70:30 split should be maintained. Concerning the applicability of the gradual increase in contributions for new Participating States, she wished to learn whether the current system was easy for IARC to maintain.

Mr KNOCHE (Acting Director of Administration and Finance) said that the Secretariat was used to administering the current system but it could adapt to a new one.

The CHAIRPERSON said that, although it could not be proven, he believed some new Participating States might find it easier to join the Agency if the gradual contributions were maintained in the first years. The Governing Council could change the rules if the gradual increase were difficult for a new low-income Participating State.

Dr HARFORD (alternate to Mr Kulikowski, United States of America) said that very few organizations allowed a gradual phase in of contributions and he would therefore be in favour either of full payment or a shortened phase-in period if the country could afford it. There could be some differential based on whether the new State was an OECD member or not.

Ms MESNER (Austria), supported by Mr Duk-Hyoung LEE (Republic of Korea), said that, as a small country, Austria had found the gradual increase in contributions encouraging and she would support retention of that system. It should be noted that Austria’s contribution was fairly high when compared with the amount it allocated to its national cancer programme.

Dr DEVLIN (Ireland) supported the remarks by Austria; the gradated increase had been a deciding factor for his country in joining the Agency and it was one that would be likely to attract less-wealthy candidate countries. The 70:30 split was helpful in terms of the budget’s affordability for his country.

Dr SRIVASTAVA (India) said that the current system would serve to attract new members. IARC should ensure that all Participating States shared equally in terms of the benefits of research that were translatable in their countries.

The CHAIRPERSON said that there appeared to be a consensus that, when a new Participating State joined the Agency, no Participating State would have an increase and some would have a slight decrease in their contributions. Most speakers were also in favour of the gradual increase in contributions for new States. The Governing Council could, at its discretion, alter the rules to allow for a slower increase in contributions in the case of individual countries.

Mrs FITZGERALD (alternate to Dr Wiseman, Canada) agreed with the summary provided by the Chairperson. Canada would certainly not wish to see an increase in the assessment of Participating States as a result of the admission of a new State. There was certainly merit in thinking of the benefits of the system for developing countries but new Participating States that could do so might be encouraged to pay their assessment in full.

The CHAIRPERSON, responding to comments by Dr HARFORD (alternate to Mr Kulikowski, United States of America) and by Dr PALMER (United Kingdom of Great Britain and Northern Ireland), Rapporteur, said that it was his understanding that the budget would automatically increase as a result of a new Participating State joining the Agency. Almost all of the new State's contribution would be allocated to research, but a small proportion of it would go towards a reduction in the membership fees of other Participating States. No State would join if they did not believe that the majority of their contribution would go towards research.

Mr KNOCHE (Acting Director of Administration and Finance), responding to a query from Dr SEGOVIA (Spain) explained that 70% of IARC's total budget was divided equally among Participating States; the remaining 30% of the budget was allocated according to a unit system whereby 52 units were divided between countries according to their assessed ability to pay.

The SECRETARY said that it would be helpful if the Governing Council could consider the strategy behind the Agency's search for new Participating States and agree the budget funding mechanism in parallel with that discussion.

The RAPPORTEUR read out the following draft resolution on the financial implications of the acceptance of new Participating States (Resolution GC/51/R7):

The Governing Council,

Recalling its Resolution GC/50/R17,

Having examined Document GC/51/9 on the financial implications of the acceptance of new Participating States,

1. THANKS the Secretariat and the Subcommittee on the Admission of new Participating States for their analysis of the financial implications of accepting new Participating States on the contributions of existing Participating States of IARC to future programme budgets;

2. DECIDES to maintain the method by which contributions to the budget are assessed, as described in Resolution GC/15/R9;

3. DECIDES to maintain the gradual increase of contributions for new Participating States as described in Resolution GC/37/R9; and

4. FURTHER DECIDES that no Participating State shall have an increase in its contribution as a consequence of the admission of a new Participating State.

The draft resolution was **adopted**.

6. REPORT OF THE WORKING GROUP TO EXAMINE INFRASTRUCTURE PROJECTS (including financial aspects): Item 13 of the Agenda (Document GC/51/10)

Dr KEINHORST (Germany), speaking as Chair of the Working Group, said that the Group had met in September 2008 and February 2009 in Lyon. The Group had found the presentation of the list of possible infrastructure projects outlined in document GC/49/12, which amounted to some US$ 15 million, deficient because there was no distinction between short-, medium- and long-term measures and no evaluation of the urgency of projects. With a focus on short- to medium-term development projects, the Group had listed essential works to be carried out within four years, either financed by the City of Lyon or by IARC. It was decided that an independent expert should carry out a technical overview of IARC's buildings, which could be discussed with the City of Lyon and the host country. The report of the external expert, which had been sent to the Group in December 2008, had presented a feasible overall picture. At the meeting in February 2009, Dr Wild had confirmed his intention to strengthen cooperation with regional authorities regarding repair work. Although the City of Lyon had already approved its budget for 2009, discussions would continue in relation to the budgets for 2010 and beyond. The Group believed it would be helpful to send a long-term plan for the next 10 years to the City of Lyon and the host country. An adjusted table suggesting works to be shared by IARC and the City of Lyon could be found on page 2 of Document GC/51/10 Corr.1. The Group had considered replacement of the IARC heating system to be a priority. In addition to ongoing discussions with the City of Lyon and France, the Group had recommended that the Director should elaborate a long-term strategic infrastructure plan, including options for financing.

Ms FLAMANT (France) said that France had participated actively in the work of the Group and, as host country, gave assurance that it would work in cooperation with IARC to find solutions and ensure the work required was undertaken.

The RAPPORTEUR read out the following draft resolution on the report of the Working Group to examine infrastructure projects (Resolution GC/51/R8):

The Governing Council,

Having been informed by Document GC/51/10 of the progress made by the Working Group to examine IARC Infrastructure Projects (including financial aspects),

1. THANKS the Working Group, the City of Lyon and France for their valuable help;

2. RECOMMENDS that IARC continues its negotiations with the City of Lyon and the host country to provide adequate means in their respective budgets for 2010 onwards for the works mentioned in the table "Infrastructure maintenance projects" on page 2 of Document GC/51/10 Corr.1; and

3. FURTHER RECOMMENDS that the Director elaborates a long-term strategic building concept based on his vision of the future activities of the Agency, which should include options for financing, e.g. by host country, the City of Lyon, public institutions, foundations, Participating States and other States.

Dr HARFORD (alternate to Mr Kulikowski, United States of America) said that he would prefer the term "capital master plan" to "long-term strategic building concept" in paragraph 3.

The CHAIRPERSON, responding to a suggestion by Dr KEINHORST (Germany), speaking as Chair of the Working Group, believed that it would not be necessary to include a reference to the Agency looking forward to intensified cooperation with the City of Lyon and France, as that had been mentioned in the report.

The draft resolution, as amended, was **adopted**.

7. SUGGESTIONS FOR SPECIAL PROJECTS TO BE FINANCED FROM THE VOLUNTARY UNDESIGNATED CONTRIBUTIONS ACCOUNT: Item 15 of the Agenda (Document GC/51/12)

The SECRETARY, presenting the report in document GC/51/12, said that the rationale behind the proposal to set up special projects had been to strengthen research in low- and medium-resource countries. The proposals would encompass support and training to cancer registries. He had invited independent experts to join a working group to advise him on specific areas of the projects, subject to the approval of the Governing Council.

In the area of cancer prevention through screening and behavioural change, he proposed to recruit an individual with experience in behavioural epidemiology on a two-year fixed-term contract, to work on early detection and prevention. The third component concerned a long-standing study on hepatitis B vaccination and the proposal to recruit a physician for a three-year fixed-term contract to work in the Gambia. There would also be an investment in infrastructure, including vehicles and equipment for liver cancer diagnosis. The Medical Research Council in the United Kingdom, with which IARC shared the project, had favourably received the proposal. By adding infrastructure in the Gambia, IARC could develop a good platform for other research into priority areas, notably papillomaviruses. All three projects would build on existing strengths and expertise.

Dr PALMER (United Kingdom of Great Britain and Northern Ireland), Rapporteur, said that the Gambia Hepatitis project was conducted in cooperation with the Medical Research Council’s laboratories, which had been in the country for over 60 years. The Medical Research Council had been concerned about IARC’s commitment to the Gambia Hepatitis Intervention Study (GHIS) and the Director’s proposal for the study and the other two areas were most welcome.

Professor PUSKA (Finland), Vice-Chairperson, said that it was clear that the development of cancer registries was useful and important, particularly for low- and middle-income countries. Speaking as Vice-President of the International Association of National Public Health Institutes (IANPHI), he said that it was one of the aims of the Institute to develop institutional health capacity and therefore he encouraged the development work of the Agency.

Dr HARFORD (alternate to Mr Kulikowski, United States of America) said that he supported all three initiatives, although he was doubtful how much could be achieved with the amount of funding available. He had some concerns about the proposal to recruit one cancer screening individual under the Early Detection and Prevention Section and wondered whether any existing staff would be appointed to work with them. He asked whether the Director had determined how the funds would be split between the three projects and whether cancer registries from developed countries could be asked to provide financial support for the twinning project.

The SECRETARY said that the sustainability of investments was a matter that could be explored by the proposed advisory group. Approximately 50% of the funds would be spent on the cancer registries and approximately 25% each on the other two projects. The proposal had been to add a short-term post to Dr Sankaranarayanan's Section of Early Detection and Prevention, but the Section might need strengthening in the longer term.

Dr HARFORD (alternate to Mr Kulikowski, United States of America) said that there was great need to give consideration to breast cancer screening and to understanding why women did not take action when they had a tumour: low-cost cervical screening and HPV care were already being developed.

The SECRETARY said that breast cancer screening and reasons for non-participation had been identified as a first priority.

Dr SRIVASTAVA (India) said he strongly supported the commitment to projects in developing countries. He wished to learn whether the projects were one-off or whether sustainable funding would be found for them. He also wished to know whether there was sufficient money to carry out the tasks planned. He wished to know whether the projects could be supplemented from the regular budget if necessary.

The SECRETARY said that part of the cancer registration process would be to assess how the initial investment could generate longer-term sustainability, hopefully through partnerships. The proposal to focus on cancer prevention through screening and behavioural change was a new area, which would be monitored to see what interest it generated and whether there were any grant applications. The funding for the Gambia project would be sufficient to meet its needs and support the main aims. There was already a regular budget commitment for all three areas, but the Gambia project in particular would be in difficulty without additional funding.

The RAPPORTEUR read out the following draft resolution on suggestions for special projects to be financed from the voluntary undesignated contributions account (Resolution GC/51/R9):

> The Governing Council,
>
> Recalling its request to the Secretariat, at its 50th Session in May 2008, to prepare suggestions for special projects on which to spend voluntary undesignated contributions,
>
> 1. THANKS the Director for his suggestions;
>
> 2. THANKS the Scientific Council for endorsing the Director's proposals for special projects in low- and medium-resource countries; and
>
> 3. APPROVES the use of US$ 1.0 million from the Voluntary Undesignated Contributions Account to cover the cost of three Special Projects in low- and medium-resource countries: a) improving the coverage and quality of data from cancer registries in Africa, Asia and South and Central America; b) recruitment of skills in behavioural and sociological research initially focused on screening in low-resource countries; and c) the Gambia Hepatitis Intervention Study (GHIS).

The draft resolution was **adopted**.

8. STATEMENT BY THE IARC STAFF ASSOCIATION: Item 14 of the Agenda
(Document GC/51/11)

Ms ASANTE, Chairperson of the IARC Staff Association, thanked Governing Council members for the interest they had shown in the Staff Association's activities. She wished to convey to the Director the appreciation of staff for having made the proceedings of the Governing Council available for staff, as they had requested that for some time. The Staff Association had experienced difficulties for several years, having no committee at all between 2007 and 2008 due to a lack of candidates. Since 2007, the staff had adapted to major organizational changes, including the election of a new Director, the implementation of a new management system (SAP), a reorganization of the Agency, which had been finalized in mid-April 2009, and the global economic downturn. Given the financial uncertainty, staff had been pleased that the Director had indicated he would not turn to workforce reductions unless absolutely necessary. The budget was a source of worry to many staff as it affected their employment, the content of their work and the conditions in which it was performed. The continued effects of the implementation of the SAP system was a major worry to staff; the project had been more complex and the roll-out more difficult than expected and its implementation was beginning to wear on staff. The Staff Association believed a forum should be created for staff to discuss the problems inherent in the system and possible solutions, as that would go a long way towards resolving tensions.

The Staff Association congratulated the Director for the initiatives he had taken since joining the Agency, including increasing communication with staff and asking for, and listening to, their ideas. Staff who understood and felt a part of the Agency were highly motivated and willing to give their utmost to help it to succeed. The new dialogue had given staff a chance to work on many issues, including increasing the transparency of administrative procedures, improving communication between the scientific and the administrative sectors, creating an atmosphere of ethical responsibility and enhancing training and quality of work. The 2007 Staff Climate Survey had indicated much concern about bureaucracy, fairness and the perceived divide between General Service and Professional staff. 12% of staff had also experienced harassment. Those issues had not been addressed by the previous Administration. It was to be hoped that the 2009 survey would yield more positive results. Staff Association members were working hard to encourage interactions between staff and to make the Association accessible.

In his first speech to staff, Dr Wild had said that he hoped staff would look on their stay at IARC as one of the best times of their lives. The Association welcomed that noble goal and hoped to achieve it with the support of the Governing Council.

Mrs FITZGERALD (alternate to Dr Wiseman, Canada) said that the strength of the Agency lay in its human resources and she welcomed the reinstatement of the Staff Association. She had been pleased to learn that action would be taken to resolve the problems in implementing SAP. She asked what measures had been taken in respect of harassment, as the results of the climate survey had been a source of concern. Generally speaking, harassment of that kind was a systemic issue that needed to be taken seriously.

Ms ASANTE, Chairperson of the IARC Staff Association, said that the results of the 2009 survey showed a roughly similar level of harassment and a follow-up survey would be required to analyse its root causes. She agreed with the representative of Canada in regard to the nature of harassment, which the Association would be discussing with the Administration.

Dr WHITE (alternate to Mr Kulikowski, United States of America) said that she wished to express support for the important contribution of the staff to the Agency. She commended both staff and managers for being willing to engage in dialogue about the concerns raised by staff.

The SECRETARY said that an effective Staff Association was essential to the Agency and he thanked the Committee members who had taken on that additional commitment on top of their normal workload. The results of both the 2007 and the 2009 surveys showed that there was a need to generate better understanding and respect between the Scientific and the Administrative parts of the Agency. Those issues would take time to change. He would seek to involve staff in finding solutions to the problems raised. He had instituted regular meetings between himself, the departments of Human Resources and Administration and the Staff Association. He had also set up the “Director’s open door” once a month, with open appointments for any member of staff who wished to raise problems and propose solutions. His aim would be not to deny problems but to seek solutions through dialogue. He echoed the importance of the survey results and the serious concerns expressed on harassment; he would work together with the Staff Association and Human Resources on that problem. Overall, he had found the working atmosphere to be a positive one.

The CHAIRPERSON said that the focus on harassment would be very important for the Director and the Staff Association in the year ahead. He felt sure that the Governing Council would wish to learn what specific measures had been taken at its next meeting. It was important that even in times of financial crisis, the Agency should take care of its staff. The Council had been glad to see that staff had once again taken up the challenge of running the Staff Association.

The meeting rose at 18:00.