

# International Agency for Research on Cancer



**Governing Council  
Fifty-third Session**

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## **MINUTES OF THE SECOND MEETING**

IARC, Lyon

Thursday 12 May 2011, at 14:25

Chairperson: Professor Pekka Puska (Finland)

Secretary: Dr Christopher P. Wild, Director, IARC

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Professor Jim BISHOP, <i>Rapporteur</i>	Australia
Dr Hemma BAUER	Austria
Mr Lieven DE RAEDT	Belgium
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Professor Herman AUTRUP	Denmark
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<i>No Representative</i>	India
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Professor Valentino MARTELLI	Italy
Dr Masato MUGITANI Dr Shiho TAKAOKA	Japan
Mr Jeroen HULLEMAN	Netherlands
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Dr Carlos SEGOVIA	Spain
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Ms Joanne MCKEOUGH, Office of the Legal Counsel  
Dr Andreas ULLRICH, Chronic Diseases Prevention and Management

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Dr Edgar RIVEDAL, Outgoing Chairperson, Scientific Council  
Professor Ian FRAZER, Incoming Chairperson, Scientific Council  
Professor Jean-Pierre BOISSEL, Chairperson, IARC Ethics Committee (IEC)

Dr Javier OSATNIK, Executive Committee Member, National Cancer Institute	Argentina
Dr Luiz Antonio SANTINI, Director General, Brazilian National Cancer Institute	Brazil
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**1. REPORT OF THE FORTY-SEVENTH SESSION OF THE SCIENTIFIC COUNCIL:  
Item 8 of the Agenda** (Document GC/53/4) (continued)

**DIRECTOR'S RESPONSE TO RECOMMENDATIONS OF THE SCIENTIFIC COUNCIL:  
Item 9 of the Agenda** (Document GC/53/5) (continued)

The SECRETARY, responding to those issues raised in the report of the Scientific Council that would not be covered elsewhere in the Agenda, highlighted the main outcomes of the session, including the Scientific Council's wish to focus more closely on scientific matters rather than routine administration and the decision to hold peer reviews immediately prior to the Scientific Council session for a two-year trial period. In future, hits on the IARC web site and downloads of publications would be measured to provide new key performance indicators. A web statistics analysis program called Urchin 7 had been purchased, which would also allow hits and downloads to be measured retrospectively. It was clearly necessary to measure collaboration with low- and middle-income countries, which might be done by analysing the Agency's publications. Another potential indicator was coverage of cancer registries, which would be discussed by a meeting of stakeholders to be held at IARC in July 2011.

Dr HARFORD (United States of America) said that tissue biobanking was a very complex activity with many unknown variables. Many samples collected across the world were of such poor quality as to be unusable. There was a need for a reliable set of standard operating procedures to define how samples should be collected if the resources invested in biobanking were not to be wasted.

Dr PARK (Canada) said that her country had established a network of biobanks with standard operating procedures and an accreditation system. It was willing to share its experiences with other Participating States. She asked about the ethical considerations involved in transferring tissue samples to third parties: would the Agency consider passing samples on to the pharmaceutical industry, for example, or only to academic institutions?

There was clearly a need for substantial bioinformatics support for the Agency's activities. Even if some technical services were outsourced to external companies, did IARC have the bioinformatics capacity in-house to analyse the information it received?

Dr KEINHORST (Germany) asked whether the suggestion that the Biostatistics Group should be brought within the structure of the Director's Office would have any financial implications.

Dr PALMER (United Kingdom of Great Britain and Northern Ireland), Vice-Chairperson, said that the European Molecular Biology Laboratory carried out its peer reviews immediately prior to its scientific advisory committee meetings, as was now proposed for the Scientific Council. However, he wondered whether the peer review reports would, in practice, be ready in time for consideration by the Scientific Council just one or two days later.

Professor VAINIO (alternate to Professor Puska, Finland) said that, at a time of resource constraints, it was essential to set sound research priorities. The peer review system, together with the recommendations of the Scientific Council, should provide the necessary information for those decisions.

IARC had always been very strong in the field of biostatistics, but it needed to decide how it would manage the enormous quantities of data produced by modern automated procedures. Should it outsource its bioinformatics activities, or create the necessary capacity in-house?

A proposed law under discussion in Finland was likely to limit the use of biobank data in research. It was essential to impress upon policy-makers that research using biobank samples was in the interests of public health.

The CHAIRPERSON, speaking as the member for Finland, said that, while biobanks were of enormous value, many countries, including his own, looked to the Agency for leadership to deal with issues of sample quality and appropriate legislation. The draft law on biobanking had been submitted to the Finnish Parliament but had not yet been discussed because of the Parliament's busy schedule.

Mr BUKHOLM (Norway) said that the Agency should define end-point indicators showing the results of its work, such as its responsibility for the implementation of cancer control or the development of evidence-based methodology.

The SECRETARY said that the Agency had prepared standard operating procedures for tissue biobanking: the additional experience of countries such as Canada would be very useful. The Scientific Council had briefly discussed the possibility of making the IARC Biobank of tissue samples more widely available, including the possibility of allowing access by commercial entities, but no formal procedure had been drawn up as yet. Dr Joakim Dillner, who had been appointed as a senior visiting scientist for 2011, had considerable experience of biobanking at his home institution in Sweden.

At present, the Agency was still at the stage of classifying its enormous stock of samples, including those from the European Prospective Investigation into Cancer and Nutrition (EPIC) project. The quality of the samples would need to be assessed in due course.

He did not consider it feasible to establish in-house the bioinformatics capacity which the Agency required. He proposed to recruit a professional staff member to work with a bioinformatics facility in Lyon with which the Agency had a close working relationship. A certain amount of computer hardware had also been purchased in conjunction with the Agency's new DNA sequencer.

He had no plans at present to transfer the management of IARC's biostatistics activities to his own office. Such a move would be a matter of internal management and would not have budgetary or staffing implications.

It was certainly appropriate for the Scientific Council to consider the relative emphasis given to various research sections, as well as reviewing the sections individually. For the next two years, peer reviews would take place immediately before the Scientific Council session in January, so the entire Scientific Council would then be able to comment on them straight away. Of course, the relevant reports would have to be prepared very quickly.

Dr RIVEDAL (Outgoing Chairperson, Scientific Council) said that there was no guarantee that the current financial constraints would not affect the scientific programme, especially since the budget for 2012–2013 had not yet been adopted. However, he had every confidence that the Director would avoid cuts in the scientific programme wherever possible.

Members of the Scientific Council had been concerned that they would not have enough time to study the peer review reports before they were required to comment on them. For that reason, it had been decided to try the new procedure for a two-year trial period in the first instance.

The Scientific Council had expressed the desire to become more involved in strategic planning for the Agency, which would enable it to consider the balance between the activities of the various sections more effectively.

Professor FRAZER (Incoming Chairperson, Scientific Council) said that it was the Director's job to ensure that an appropriate balance was maintained between the various research sections. The Scientific Council should offer advice only if the Director asked for it.

Replying to a question from Mr ADAMS (Union for International Cancer Control – UICC), speaking at the invitation of the CHAIRPERSON, the SECRETARY said that WHO was formally involved in the development of the IARC Medium-Term Strategy. He intended to hold at least one high-level technical meeting every year to ensure consistency in the work of the two agencies (see below, Item 13 of the Agenda).

The RAPPORTEUR read out the following draft resolution on the report of the Scientific Council (GC/53/R4):

The Governing Council,

Having reviewed the Report presented by the Forty-seventh Scientific Council (Document GC/53/4) and the Director's response (Document GC/53/5),

1. NOTES the Report with great interest;
2. CONGRATULATES the members of the Scientific Council for their supportive and excellent work; and
3. COMMENDS the Director for his constructive responses to the recommendations of the Forty-seventh Session of the Scientific Council.

The draft resolution was **adopted**.

The RAPPORTEUR read out the following draft resolution on the scheduling of future peer reviews (GC/53/R5):

The Governing Council,

Having reviewed the Report presented by the Forty-seventh Scientific Council (Document GC/53/4) and the Director's response (Document GC/53/5),

1. SUPPORTS the conduct of peer reviews being carried out immediately preceding the 2012 and 2013 sessions of the Scientific Council, for a two year trial period, to enable the work of the peer reviews to be considered immediately by the Scientific Council as a whole; and
2. REQUESTS that the above approach be reviewed in 2013, following experience drawn from two consecutive Scientific Council sessions.

The draft resolution was **adopted**.

## **2. UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR 2010: Item 10 of the Agenda** (Documents GC/53/6 and GC/53/Inf.Doc. No.2)

Mr KNOCHE (Administration and Finance Officer), presenting the Unaudited Interim Financial Report for the year 2010 (Document GC/53/6), noted that following IARC's adoption of the euro as its functional currency effective 1 January 2010, it was presented in euros. He further noted that not all components of the balance sheet were yet fully compliant with the International Public Sector Accounting Standards (IPSAS), in particular long-term accruals for staff entitlements, but said that those accounts were however fully compliant with the United Nations System Accounting Standards (UNSAS). He said that IARC aimed to follow the World Health Organization (WHO) in becoming fully IPSAS compliant by the beginning of the next biennium in order that IARC's financial reports continued to be consistent with those of WHO. He noted that interim financial reports would cease to be issued once IPSAS had been fully implemented and that as of 2013 the Agency would instead have to issue annual audited financial reports.

He said that the regular budget had been €18.76 million for 2010, the rate of collection of contributions from Participating States had been 86.46% and the shortfall of €2.54 million had been financed through the Working Capital Fund and the Governing Council Special Fund (for detailed status of collections see document GC/53/Inf.Doc. No.1).

He explained that the under-implementation of the regular budget by €2.2 million in 2010 (Document GC/53/6, Schedule 1, p.21), was due to restructuring that had taken place in 2009–2010, as changes to Groups and re-profiling of posts had meant that many vacancies had only been filled during 2010. He said that consequently some Groups, especially those that had been newly created, had only commenced their activities during 2010. However, he said that those newly created Groups were expected to fully implement their activities for the biennium by the end of 2011. He said that the savings made from vacant posts would be used to finance the increase in staff costs in 2011. He clarified that any savings at the end of the year – and none were anticipated – could not be carried over for future biennia.

Setting out the movements of the Working Capital Fund (WCF), he said that as of 1 January 2010 the balance of US\$ 4.6 million had been converted to €3.87 million. He explained that although it had been possible to recover some of the advances made at the end of 2009 during 2010, it had subsequently been necessary to advance another €2.44 million to the regular budget, which had reduced the balance of the Working Capital Fund to zero until receipt of the assessed contributions of two Participating States early in 2011 had allowed €1.6 million to be returned to the Fund.

He said that the cash balance of the Governing Council Special Fund at the end of 2010 had been €7.7 million and that details of the movements of that Fund were set out in Schedule 2 (GC/53/6, p.22). Referring to an information document on the anticipated status of the Fund by 30 December 2011 (GC/53/Inf.Doc. No.2), he said that the uncommitted balance of the Fund was €1.5 million. He said that Schedule 1 (GC/53/6, p.21) showed the movements of the Voluntary Contributions Account and that the total income amounted to €6.6 million and expenses to €6.1 million, resulting in a final end balance of €8.6 million to that account.

Mr FARIS (alternate to Dr Harford, United States of America) explained that he worked for the United States' Department of State, the body through which his country paid all of its assessed mandatory contributions to international organizations. He said that there were certain elements that he had learned to look for as indicators of prudent management of resources and noted with satisfaction that he saw those indicators at IARC. He acknowledged the reductions that had been made in areas such as travel and procurement, in addition to delaying the filling of vacancies in 2010.

Noting that the United States of America had been one of the two Participating States that had been responsible for the need to make use of the Working Capital Fund, he said that his country's situation was a good example of the risk to IARC. He said that IARC faced a triple constraint: staff costs for the organization, which were growing unavoidably; non-staff costs; and sources of income for the organization, such as assessed contributions. He said that the United States was not alone in facing budget difficulties. He said that his Government was in the process of cutting its budget in Washington D.C., yet the requirements that it faced to pay contributions to international organizations were growing. He said that the United States Congress was not persuaded that contributions to international organizations should receive more funding while other areas of spending were being cut.

He went on to explain that when in 2006 the United States had faced a funding shortfall of US\$ 135 million in what it was required to pay international organizations, his Government had started paying its contributions to some organizations, including IARC, late. He said that for the previous five years the United States had been paying part of its contributions to the Agency at the beginning of the year and the balance at the end of the year, but that in 2010, it had been unable to do so as the whole United States Government had been running late. He explained that although the United States fiscal year began on 1 October, the Department had not received its funding for the year until the end of April. He explained that his country had consequently paid its contribution to IARC even later than had become usual. He observed that

such constraints influenced his country's thinking on the 2012–2013 budget as well as on the use of the Working Capital Fund to sustain shortfalls in that budget.

Dr KEINHORST (Germany) asked whether, in the light of constraints of the nature described by the representative of the United States, there was any way that the €7.72 million in the Governing Council Special Fund could be used for purposes other than supporting new projects and whether there was any balance that could not be used.

Mr KNOCHE (Administration and Finance Officer) said that use of the Governing Council Special Fund was governed by Governing Council resolutions, some of which he explained did not require money to be spent immediately, but established a reserve to be used in certain circumstances, such as to provide an exchange loss facility for the regular budget. He said that it was therefore necessary to maintain a reserve in the Fund in case of need, and that consequently there was sometimes a commitment but no expenditure. He added that under the new accounting standards, expenses were only considered expenses once the goods or services had been delivered, which meant that if a purchase order had been raised but not delivered it would not show in the report as an expenditure; it would however show as an open commitment in Information Document No. 2 (GC/53/Inf.Doc. No.2). He said that the uncommitted balance of the Governing Council Special Fund was expected to be €1.5 million at the end of 2011.

The RAPPORTEUR read out the following draft resolution on the Unaudited Interim Financial Report for the year 2010 (GC/53/R6):

The Governing Council,

Having examined Document GC/53/6 "Unaudited Interim Financial Report for the year 2010",

1. APPROVES the Unaudited Interim Financial Report for the year 2010 on the financial operations of the Agency; and
2. NOTES that in accordance with the International Public Sector Accounting Standards (IPSAS), annual audited financial statements will be published as of 2012 and that the issuance of unaudited interim financial reports will be discontinued.

The draft resolution was **adopted**.

**3. PROPOSED PROGRAMME (2012–2015) AND BUDGET (2012–2013): Item 11 of the Agenda** (Documents GC/53/7, GC/53/7 Revision No.1 and GC/53/7 Revision No.2)

Mr KNOCHE (Administration and Finance Officer), illustrating his remarks with slides, said that he fully appreciated the financial challenges that Participating States were facing. He said that the Agency had made significant efforts to reduce its operating costs while dealing with increases in staff costs that were beyond its control. He said that when his department had realized the value in recalculating the programme and budget to take advantage of the significant appreciation of the euro against the US dollar in the six months since the Proposed Programme (2012–2015) and Budget (2012–2013) had been drawn up, it had revised the document using the exchange rate applicable in May 2011, which was €0.675 to US\$ 1.

He recalled that under Article VIII of the IARC Statute, any decision to change the level of contributions required a two-thirds majority of the members of the Governing Council who were representatives of Participating States. He further recalled that under Article III of IARC's Financial Regulations the Director of the Agency was required to prepare the programme and budget estimates and submit them to the Scientific and then Governing Councils.

Presenting the revised Proposed Programme (2012–2015) and Budget (2012–2013), he noted that the programme classification matched the priority areas set out in the IARC Medium-Term Strategy and Implementation Plan 2010–2014 (document GC/52/6). He described the process by which the proposed programme and budget had been prepared: first the Section and Group Heads had submitted their budget proposals to the Director; next the Director had met with each of them individually to challenge and discuss their proposals; then a first draft budget had been prepared and discussed by the IARC Senior Leadership Team; the draft budget had been finalized by the Director in October and sent to the Scientific Council, which had reviewed the draft budget (document SC/47/12). The Scientific Council had expressed concern that the pressures caused by increases in staff costs might impact on IARC's scientific programme, had noted that the Agency paid particular attention to overhead cost recovery on external awards and had recommended that the Governing Council approve the Proposed Programme (2012–2015) and Budget (2012–2013).

He noted that there was for the first time consistency between the IARC strategy, the organizational structure of the Agency and the budget allocations and said that the Scientific Council had noted the increased professionalism apparent in the budget setting process. He said it was important to keep in mind that the Agency's budget was an integrated budget, and included the regular budget, voluntary contributions, programme support costs, and the Governing Council Special Fund. He said that voluntary contributions had only been included if IARC could be sure of receiving them and it was therefore hoped that the real income would be higher than anticipated. With regard to the Governing Council Special Fund and undesignated contributions, he said that allocation of funds had only been included if it had already been approved.

He drew attention to Summary Table A (document GC/53/7, p.57), which showed that the proposed budget was €39 758 435 and the increase proposed was 4.87% or €1.8 million. He said that the cost driver was the €4.3 million increase in staff costs and that there had been a €2.5 million programme reduction. He noted that the percentage of the budget going to each

of the three appropriation sections remained broadly unchanged from the 2010–2011 budget (document GC/53/7, p.59, Summary Table C). He recalled that under the IARC Financial Regulations the Director had the freedom to move up to 15% from one appropriation section to another and to reallocate resources within each section, and that the Governing Council was informed of such reallocations through the annual financial reports. He said that the new programme classification could be seen in the table of contents of the budget document. He explained that for the purposes of comparison it had been necessary (document GC/53/7, p.61, Summary Table E) to adjust the classifications used in the 2010–2011 programme and budget to match with the new classifications used in 2012–2013. He noted that there had been no major changes in the percentages allocated to each area. He also drew attention to Appendix A (document GC/53/7, p.55), which showed the budget by Section and Group for staff and non-staff costs, based on the new organizational structure.

He said that the estimated €4.3 million increase in staff costs had been one of the key challenges faced when preparing the budget. He explained that although programme activities had been cut by €2.5 million in order to finance that increase, a solution had then had to be found as to how to fund the remaining €1.8 million.

He emphasized that the increase in staff costs had not occurred due to an increase in the number of posts or to upgrades to existing posts and that all changes to posts had been cost-neutral. Rather, he said, the increase resulted from increases in mandatory staff costs – salaries and also all non-payroll entitlements such as annual step increases, health insurance, pension insurance schemes and repatriation travel. He explained that as IARC was part of the World Health Organization which was in turn part of the United Nations system, salaries and entitlements were decided upon by the United Nations General Assembly, the International Civil Service Commission in New York and the World Health Assembly and that consequently IARC had little or no influence on staff costs except by means of increasing or decreasing the number of posts. He suggested that it was helpful to differentiate between the actual increases that had occurred in the interval between preparation of the 2010–2011 budget and preparation of the 2012–2013 budget (i.e. between mid 2008 and mid 2010), and the increases that were projected to occur between mid 2010 and the period of the 2012–2013 biennium. He detailed the actual increases that had occurred, which included an increase in post-adjustment due to the cost of living, increases in staff health insurance for retirees, and pension increases, which for the whole biennium 2010–2011 gave a total increase of €1.8 million. He then explained that future increases for the period in question had been estimated for professional staff at 1% for 2010 as the year had already been nearing its close and 4% for each year thereafter, of which 2% comprised step increases and the remainder covered increases as yet unknown; for general service staff a conservative estimate had been made of a 2% increase for each of the subsequent years, which covered only the step increases.

He said that some adjustments to the budget had already been made, such as increasing the payroll allocation and decreasing non-pay budgets. He said that the amount available to the scientific groups had in effect been reduced by €411 000, which it was hoped could be recovered by means of a new mechanism of recovering the cost of core activities from external grants, so that existing scientific activities could be maintained. He added that there would also be further reductions to the administration and the Director's Office.

He said that although the overall increase in contributions from Participating States amounted to 4.87%, the assessments for individual countries were detailed in Summary Table D (document GC/53/7, p.60). He explained that the particularly large increase shown for India was due to its group reclassification and for Austria to the practice of phasing in the level of contributions for newly admitted States.

Turning to document GC/53/7 Revision No.1, he explained that the significant appreciation of the euro against the dollar had made it possible to reduce the overall budget as it meant that those of the Agency's expenses that were in dollars would cost less. That recalculation had brought the overall increase down to 3.98%. He recalled the methodology by which allocations were calculated. Lastly, he said that under the Statute the Governing Council was requested to adopt IARC's budget for the 2012–2013 biennium based on the Scientific Council's recommendations.

Mr FARIS (alternate to Dr Harford, United States of America) commended IARC on the budget presentation and for doing all the right things in terms of how it planned its budget, such as showing the Governing Council all the resources available, linking budget resources to the work programme as laid out in the Medium-Term Strategy and Implementation Plan 2010–2014, and working to recover administrative costs from external resources, which helped to maintain balance in the organization.

Professor AUTRUP (Denmark) said that although he recognized the good work being done by the Director and his staff, his Government had been evaluating its budget and he would unfortunately have difficulty in accepting any increase.

Dr KEINHORST (Germany) said that in line with Denmark, the German position was for zero nominal growth in the budgets of international organizations, which the proposed increase exceeded considerably. She said that as she understood it, the mandate of the Governing Council was to adopt the programme and budget and that by so doing it confirmed that the contributions of Participating States were being used in a way that was consistent with the regulations of the United Nations system. However, she said she considered it to be the responsibility of the IARC Administration to make the Governing Council aware of extraordinary developments such as the increase in staff costs and she would have liked to have received the information presented earlier. She said that without complete and timely information members of the Governing Council were powerless to change anything, and yet the responsibility was theirs. She therefore asked for greater transparency regarding similarly exceptional developments. She asked whether there was any plan, perhaps in conjunction with WHO, to resolve the problem of increased costs in staff health insurance premiums, which had resulted from the Agency adopting the euro as its functional currency.

Ms HERNANDEZ (alternate to Dr Park, Canada) said that although she had appreciated the work that had gone into the proposed programme and budget, she had some concerns. She was

concerned to hear that the budget had not previously been in alignment with the planned activities. She was also concerned about the prospect of IARC's operating costs continuing to escalate in the long term. She noted that for some countries the appreciation of the euro against the dollar translated into an increase in their assessed contributions.

Mr HULLEMAN (Netherlands) said that his country had been grappling with severe financial constraints and was enduring budget cuts in all areas. He said that for the health-care sector that also meant reduced Government funding for Dutch research institutes, and that the difficult measures taken at the national level also impacted on the position his country took at the international level. Given his country's domestic situation, he would therefore have a problem with approving a draft resolution that asked Participating States to increase their contributions.

Dr BAUER (Austria) said that she too wished to praise the preparation that had gone into the budget but had concerns about the large increase in costs. She asked whether further increases were expected in the years after 2014 and said there was a clear need for a strategy to reduce escalating costs. She said that Austria too was facing domestic budgetary constraints: national research institutes were being asked to develop their budget plans on the basis of zero nominal growth, and Austria's position was to ask international organizations to do the same.

Mr KNOCHE (Administration and Finance Officer), responding to a question from the representative of Canada, reassured her that the 2010–2011 budget had been prepared in alignment with the old organizational structure; a new structure had been adopted later on and the budget distribution had been adjusted to match the new programme classification. He agreed that the future development of staff entitlements was a cause for concern, and said that he thought the problem was well understood in the World Health Organization. He accepted the criticism that the possibility of such increases should have been taken into account earlier, but emphasized that he did not expect such large increases to occur again given the anticipatory planning that had been included. He said that although the Administration sought to be as transparent as possible in terms of the information that it provided to the Governing Council, the IARC Administration was not part of the working groups that made decisions on matters such as salaries and post adjustments, but was merely informed by New York that a change had been made, after the fact. He said that considerable efforts had been made to share such information with Participating States as soon as it was received.

The SECRETARY said that as a matter of principle he was confident that, having established a Medium-Term Strategy for the Agency only a year earlier, its activities were priorities that had been identified and that there were consequently no weak areas or areas that Participating States would not wish to see conducted. He said that he sought to be as transparent as possible in presenting what he needed to meet the programme of work, so that the Governing Council could make a decision. He explained that he had maintained the staff and had absorbed much

of the cut in non-staff areas of the budget, as it was his view that having excellent scientific staff gave the Agency a better chance of attracting extrabudgetary funding from external grants.

He said that the alternative to funding the increase would be for the Governing Council to begin cutting programme areas. He emphasized that IARC stood alone financially and that all costs, such as finance, human resources, maintaining the building, had to be financed in-house, which meant that a minimum level of administration would be required even if the number of professional posts was to be reduced. He said that he thought the Agency was operating on the limit of what was required in terms of the size of the Administration given the demands on it. He said there should therefore be no ambiguity that cutting the proposed budget equated to a decision to cut scientific activities. He said that he looked at the absolute amounts of money involved: he estimated that for each country, the proposed increase represented the cost of funding one post-doctoral position for six months, which was a small amount but had a significant impact on an organization the size of IARC when considered across all Participating States.

Lastly, he said that the risk of a possible snowball effect in staff costs would be met partly by better planning, and by trying to enlarge the number of Participating States. However, he said his only caveat was that prospective Participating States were often attracted to membership by the opportunity to see new areas of activity that were priorities for their region. He said that there was therefore a need for balance between reducing pressures on existing Participating States and not discouraging would-be Participating States from joining. In conclusion, he said he understood the concerns expressed but that it was important that the Governing Council was under no illusions about the impact of its decisions on the Agency.

The CHAIRPERSON said that it was clear that there was good will towards the Agency, which was doing good and important work, but that the financial constraints countries faced were considerable. He said that the challenge would be to find a solution that everybody could live with. He said that although only a two-thirds majority was required, he would prefer to proceed by consensus. He asked Participating States whether there might be room for compromise and whether they wished to ask the Director to prepare something new for the following day.

Mr FARIS (alternate to Dr Harford, United States of America) said that although he understood that further reductions equated to difficult choices, his position was for zero nominal growth and there was less flexibility than before in terms of how that was applied.

Dr MUGITANI (Japan) said that although he respected the concerns expressed by Germany, his country faced similar economic constraints as well as the additional financial burden imposed by the devastating tsunami and earthquake in the north of Japan, yet he remained flexible when it came to agreeing IARC's budget. He stressed that the Agency belonged to Participating States, who needed it in order to prevent cancer through cancer research. Putting the amounts involved into context, he observed that for Japan, the proposed increase would amount to an additional

contribution of approximately €100 000 over two years, or €50 000 per annum, and that it had cost more than €10 000 for him to travel to attend the Governing Council.

Ms FLAMANT (France) said that like other countries France faced serious financial difficulties. However she endorsed the position taken by Japan: it was crucial that the work of IARC continued and she therefore had some flexibility when negotiating the budget.

Dr KEINHORST (Germany) said that although she understood the point made by the representative of Japan, she had been instructed to adhere to a policy of zero growth. She asked the Director how precisely he had taken into account the constraints on Participating States when he had proposed a budgetary increase of 4.8%. Professing astonishment that it had been possible to cut as much as €2.2 million without it affecting the scientific programme, she said she wondered whether there was room for deferring the scientific programme in order to ease the burden on Participating States. She said that the Agency's work would simply have to be adjusted to fit within the constraints of the budget available. She suggested that if the budget was to genuinely take into account the constraints on Participating States, the ceiling for any increase would be 2%.

Dr STEBER BÜCHLI (Switzerland) asked whether the World Health Organization faced similar problems and how it was tackling them.

The CHAIRPERSON confirmed that WHO was experiencing similar difficulties, which he said were on a far bigger scale than those faced by IARC.

The SECRETARY said he had taken a number of actions which he hoped demonstrated he had taken account of constraints on Participating States. When facing a budget increase of 11.5% the first thing he had done was to decide to cut programme activities, and he had done so by 6.57%. He said that there had been much internal debate about what level of budget it might be reasonable to submit and had sought some guidance from members of the Governing Council in that regard. He said that the decision to revise the calculations in the light of the change in the currency exchange rate had been motivated by the desire to reduce to a minimum the amount being asked of Participating States. He said he had not wished to imply a lack of flexibility, and agreed on the need to proceed by consensus. He said that if a compromise could be found somewhere between zero nominal growth and the proposal under discussion, his staff would model the impact of that. He wished however to ensure that there was no misunderstanding about the impact of what was decided on the programme: decisions about what the Agency could and could not continue to do would then be made based on the budget it was given by the Governing Council.

Mr BUKHOLM (Norway) said that he would have liked the Scientific Council to have commented on the impact that a policy of zero nominal growth would have on the scientific programme. However, he said he could support some increase to compensate for the increase in staff costs.

The CHAIRPERSON said that Finland took the same position as Norway. He proposed that the Governing Council ask the Director to produce a revised proposal that reflected the discussions in a balanced way.

Mr HULLEMAN (Netherlands) said that he wished to be clear about exactly what was being proposed in order that he could consult on the matter with his Ministry; he noted that zero nominal growth was not the same as a budget cut, and asked whether the total budget was aligned to the contributions of Participating States.

The CHAIRPERSON said that the Director and his staff would attempt to produce a new proposal that would include all the key elements.

Dr LAFIF (Director, Division of Administration and Finance) said that the proposed contributions of Participating States were aligned with what the Agency wished to spend. He noted that the Agency did not have extrabudgetary contributions in the manner of some other organizations; the only extrabudgetary funding available to the Agency was funding won through competitive research grant applications.

The CHAIRPERSON noted that the World Health Organization faced the problem of large projects being left unfunded as a result of falling receipts of extrabudgetary funds. He said that the Director had heard the concerns expressed and would put in writing something that would reflect the situation.

It was so **decided**.

#### **4. AMENDMENTS TO IARC FINANCIAL REGULATIONS AND IARC STATUTE: Item 12 of the Agenda (Document GC/53/8)**

Mr KNOCHE (Administration and Finance Officer) explained that the proposed amendment was a consequence of implementation of the new International Public Sector Accounting Standards (IPSAS), which required that financial statements only showed entities that were under their control: that meant that IARC could no longer be considered a WHO trust fund, which necessitated a change to the Financial Regulations and Statute. He added that the legal status

of IARC was not affected – the Agency remained part of WHO, and the internal and external auditors of WHO continued to be the auditors of IARC.

Ms HERNANDEZ (alternate to Dr Park, Canada) asked whether IARC was listed as a trust fund in WHO Financial Regulations, and if so whether they ought to be amended first.

Mr KNOCHE (Administration and Finance Officer) explained that WHO had already revised its Financial Regulations and that IARC would be following WHO's lead in the matter.

The RAPPORTEUR read out the following draft resolution on amendment to IARC Financial Regulations (GC/53/R8):

The Governing Council,

Having considered Document GC/53/8 "Amendments to IARC Financial Regulations and IARC Statute",

Noting that as per the International Public Sector Accounting Standards (IPSAS) 6 on Consolidated and Separate Financial Statements, IARC is not considered a "WHO controlled entity" and that, accordingly, WHO no longer shows IARC's accounts as a "trust fund" in WHO's financial statements,

DECIDES to delete the sentence "The funds and assets of the Agency shall be treated as trust funds under Regulation IX (9.1 and 9.2) of the Financial Regulations of the World Health Organization." from Article 2.1 of the Financial Regulations of the Agency, to read as follows:

**Present text**

*Article II – Applicability of the Financial Regulations of the World Health Organization*

2.1 The funds and assets of the Agency shall be treated as trust funds under Regulation IX (9.1 and 9.2) of the Financial Regulations of the World Health Organization. The Financial Regulations of the World Health Organization shall govern the financial policies, practices and administration of the Agency except as provided in the Statute and in the following Articles.

**Amended text**

*Article II – Applicability of the Financial Regulations of the World Health Organization*

2.1 The Financial Regulations of the World Health Organization shall govern the financial policies, practices and administration of the Agency except as provided in the Statute and in the following Articles.

The draft resolution was **adopted**.

The RAPPORTEUR read out the following draft resolution on amendment to the IARC Statute (GC/53/R9):

The Governing Council,

Having considered Document GC/53/8 "Amendments to IARC Financial Regulations and IARC Statute", and

Having considered Resolution GC/53/R8 "Amendment to IARC Financial Regulations",

RESOLVES that Article VIII (paragraph 8) of the Statute of the Agency shall be amended to read as follows:

**Present text**

*Article VIII – Finance*

8. The funds and assets of the Agency shall be treated as trust funds under Regulation IX (9.1 and 9.2) of the Financial Regulations of the World Health Organization. They shall be accounted for separately from the funds and assets of the World Health Organization and administered in accordance with the financial regulations adopted by the Governing Council.

**Amended text**

*Article VIII – Finance*

8. The funds and assets of the Agency shall be accounted for separately from the funds and assets of the World Health Organization and administered in accordance with the financial regulations adopted by the Governing Council.

The draft resolution was **adopted**.

**5. COOPERATION BETWEEN IARC AND WHO: Item 13 of the Agenda**  
(Document GC/53/9)

The SECRETARY, illustrating his remarks with slides, explained that he had become aware on joining the Agency of the need for the working relationship between IARC and WHO to be clarified. He said that much had been done in that regard over the preceding two years, and he wished to present a summary of the areas of cooperation. He said that the relationship was complementary: IARC coordinated and conducted international research on cancer while WHO focused on supporting implementation of public health policy. He said that he saw IARC's role as providing the evidence base, technical support and expertise for the development of cancer prevention and control guidelines and policies.

He said that the scope of collaboration between the two bodies and between individual scientists was broad: in practical terms, that included IARC staff participating as technical experts in WHO working groups or in the drafting of technical and policy documents; joint conferences and joint research projects; and WHO staff participating in IARC's governing structures and advisory committees, setting research strategy, etc.

He emphasized the breadth of the Agency's cooperation with WHO headquarters, and highlighted examples of cooperation within the Noncommunicable Diseases and Mental Health (NMH), Family and Community Health (FCH), Health Security and Environment (HSE), and Innovation, Information, Evidence and Research (IER) Clusters. He noted also continuing efforts to improve joint communications when WHO wished to make pronouncements on questions around cancer. Moreover, he said that cooperation with WHO was not limited to headquarters: IARC received much support for its research activities from Regional Offices and from Country Offices, particularly in low- and middle-income countries, and IARC provided technical advice in a number of low- and middle-income countries in the domains of cancer information systems, cancer screening and early diagnosis in the context of national cancer control initiatives.

He identified as key areas of future collaboration: cancer control, screening and early detection; understanding the role of environmental pollutants; diet, obesity, physical activity and cancer; and improving estimates of the global burden of cancer. He said that the close collaboration between IARC and WHO provided the Agency with a privileged channel for the translation of its research into public health policy. He said that he wanted to develop a "first reflex" within WHO so that when a cancer-related question arose, the first thought was to contact IARC. He said that although existing collaboration was good, an over-arching strategy or way of deciding priorities for collaboration had been lacking. He therefore proposed creating an IARC-WHO Liaison Group, which would be at the level of the leaders of the key clusters with which IARC interacted and the Director of the Agency, and would meet once a year to review the areas of cooperation and identify priorities and opportunities. He further proposed that there be an individual with responsibility for improving communication and facilitating cooperation on a more day-to-day basis – somebody within WHO with a particular remit to link to IARC. He noted that Dr Andreas Ullrich had been performing many of those liaison activities over the previous two years. He said that there were also opportunities to apply for external funding for projects where IARC and WHO were working together to address a particular question that was a priority for both organizations.

The CHAIRPERSON recalled the mantra familiar to him from his time at WHO, that WHO was not a research organization, but identified priorities for public health research; IARC was however a research organization.

Dr HARFORD (United States of America) said that he welcomed the proposal to form a liaison committee but wished to know how it might operate on a practical level, for example he asked how it might resolve the legitimate differences of opinion that existed as to the optimum methodology for estimating the number of cancers in the world.

Dr ULLRICH (Chronic Diseases and Health Promotion, WHO) said that since joining WHO headquarters as a medical officer for cancer control it had always been a reflex for him to turn to IARC, and that given the small amount of resources available within WHO headquarters on cancer control programmes, he greatly appreciated having a large dedicated institute in Lyon to support WHO. He said that over the previous two years, the forum of interaction between the whole of WHO and IARC had expanded massively and substantial progress had been made with regard to

collaboration. He noted that a working group already existed on the matter referred to by the representative of the United States of America. He said that when considering how the impact of IARC's research could be measured, account should be taken of the health benefits that came from immediate translation of results into global policy through collaboration with WHO. He emphasized that research conducted at IARC had been crucial to the development of key WHO strategies such as on tobacco control, physical activity and alcohol. He said that the Framework Convention on Tobacco Control could not have been established without the results from IARC that had provided solid evidence of the relationship between risk and disease and that consequently cancers prevented through the Framework Convention on Tobacco Control could be considered to be one quantifiable measure of the impact of IARC's work. He said that IARC's involvement in monitoring impact and implementation of human papillomavirus vaccines within the framework of the Global Alliance for Vaccines and Immunization was an example of the kind of joint projects and joint funding activities that, given the difficulties imposed by restricted resources, must be a key feature of future collaboration. He said that attention should be paid to funding opportunities outside the usual donors in noncommunicable diseases and cancer, in areas such as communicable diseases and Human Immunodeficiency Virus (HIV). He said that he looked forward to a fruitful collaboration.

The CHAIRPERSON suggested that the WHO global network of collaborating centres should also be given consideration.

Ms HERNANDEZ (alternate to Dr Park, Canada) welcomed the improvements made in the cooperation between WHO and IARC and said it was important that research was translated into public policy. She asked whether the creation of a liaison committee would have any financial implications for IARC.

The SECRETARY said that the purpose of the proposed IARC-WHO Cancer Liaison Group would not be to resolve specific issues such as that alluded to by the representative of the United States, but to set the priorities and create the structure for cooperation. He said that IARC and WHO were working to resolve the more detailed question alluded to simply by meeting more regularly, and working together to try to understand the different bases for the calculations that led to different estimates. He reported that a meeting on the subject had taken place recently with Dr Colin Mathers and he suggested that Dr David Forman could be invited to provide more details if Governing Council desired further information. He said he had not envisaged that there would be significant costs involved and that the committee would meet only once a year, in Geneva.

The CHAIRPERSON said that although the discussion had been short, the Governing Council sincerely welcomed the development.

The RAPPORTEUR read out the following draft resolution on cooperation between IARC and WHO (GC/53/R10):

The Governing Council,

Having considered Document GC/53/9 "Cooperation between IARC and WHO",

1. THANKS the Director for providing an overview of the key areas of collaboration between IARC and WHO;
2. NOTES with satisfaction that, in preparation for the United Nations (UN) General Assembly High Level Meeting on Noncommunicable Diseases (NCD) in September 2011, IARC has worked closely with the Noncommunicable Diseases and Mental Health Cluster of WHO to develop the chapters on cancer prevention and control in the first "Global Status Report on Noncommunicable Diseases, 2010";
3. RECOMMENDS that the Director:
  - (1) Establish an IARC-WHO Cancer Liaison Group to review activities and decide on future priorities;
  - (2) Consult with the WHO Secretariat with a view to a staff member from WHO-HQ being given a specific role in ensuring communication and facilitating cooperation between IARC and WHO under well-defined terms of reference and clear lines of reporting.
4. Further RECOMMENDS that the Director, IARC explore opportunities for voluntary contributions from Participating States to fund specific research projects within WHO priority areas; and
5. ENCOURAGES IARC to continue its close collaboration with WHO to permit rapid translation of IARC's research findings into public health advice and policy by WHO.

The draft resolution was **adopted**.

**6. PLAN FOR FUTURE INFRASTRUCTURE PROJECTS (INCLUDING OPTIONS FOR FINANCING): Item 15 of the Agenda** (Document GC/53/11)

Dr LAFIF (Director, Division of Administration and Finance), presenting the plan for future infrastructure projects (document GC/53/11), recalled that, based on an agreement that was valid until 30 September 2032, the Tower building IARC occupied was the property of the City of Lyon, but that the Princess Takamatsu and Sasakawa Memorial Halls, the Biological Resources Centre (BRC) and the Latarjet building had been constructed by IARC and therefore had a mixed status. He further recalled that a consulting company SOCOTEC had estimated at €4.5 million the cost of repairs needed as at December 2008. He said that at its fifty-second session, the Governing Council had requested (Resolution GC/52/R8) detailed analysis of IARC's office and laboratory space needs and the options for financing. He said that the Administration had consulted with external experts with experience of similar research centres, namely the neighbouring Centre Léon Bérard and the French National Centre for Health and Medical Research, INSERM. He said

that two meetings had been held with the City of Lyon, while a third meeting scheduled for April 2011 had been cancelled by the City of Lyon. He said that in short, the new proposal that had emerged from the extensive analysis and consultation undertaken was to consider constructing a new building on a new site. He said that in a meeting on 9 May 2011 the Mayor of Lyon had said he would in principle be interested in a new building, subject to the support of the French Government and other interested parties.

Returning to the status of renovations to the existing Tower building, he said that the first of two central heating units that the City of Lyon had initially agreed to change in 2010 and 2011 was now expected to be in service by mid 2011. He said that in January 2010 the City of Lyon had agreed to undertake its own costing of the work related to the heating and air conditioning systems but that that work had not yet been carried out. He added that a new study had confirmed the presence of asbestos in a number of locations. He explained that since the Governing Council had last met, detailed analysis had been carried out of the Agency's needs in terms of laboratories, office space and meeting rooms over the coming decades. He said that the main problem with the 2008 SOCOTEC study was that it had underestimated the state of decay of the Tower, had seriously underestimated the full cost of the renovation required, and had ignored the new requirements for laboratories and the disruption to the scientific activities during renovation. He said that the conclusion drawn from the consultations and analysis was that the approach of gradual renovation was not optimal.

He said that the main problem with the current building was that the metal and glass facades of the building were leaking, which was not only costly in terms of energy but also impacted on the quality of laboratory work as contamination was a frequent occurrence, which was costly in terms of time, money and wasted biological samples. He added that much of the footprint of the Tower was lost to corridors, lifts and stairs due to the requirements of a high-rise building. He said that the building's air-conditioning system, at 39 years old, was costly and obsolete. Moreover, he said that experts had confirmed that corrosion was reaching dangerous levels and that there was a risk of the ventilation failing, which he explained would necessitate evacuation until ventilation was restored as windows in a high-rise building could not be opened. He said the cost of checking for and treating legionellosis was also high.

He said that renovating the air-handling unit in order to comply with current or future requirements would mean sacrificing every third floor of laboratories into an air-handling and technical area, resulting in an unacceptable loss of laboratory space. He illustrated with photographic slides the key problems, such as the level of corrosion to air-conditioning pipes, as well as window frames which contained asbestos, necessitating a long and expensive removal process. He added that the Agency's biobank was completely full. He explained that the cost of annual repairs and running costs for the building were high. He said that the City of Lyon regarded anything other than replacing the core units, as opposed to any peripherals, to be the responsibility of the tenant, whereas IARC considered that this principle was no longer the case once the building reached such a state of disrepair. He said that the building was ill-suited to the Agency's scientific activities, which was a risk to IARC's competitiveness and capacity to attract top-quality laboratory scientists. He also said that the building's outdated and scattered layout hampered interdisciplinary research, and was therefore not in line with the Medium-Term Strategy (2010–2014). He said office space and meeting rooms were also lacking.

He said that the Administration had explored three options: a new building on a new site; renovation of the Tower building; or new laboratories built on the current site combined with renovation of the Tower, without laboratories. He said that key principles had been to maintain IARC's ability to attract the best people, to limit disruption to research, to consider local interaction with scientists, to ensure good access by public transport and a low carbon footprint in order to achieve lower running costs. He outlined the key advantages and disadvantages of each of the three options. He set out the methodology used for calculating the surface area required for a new building. He said that the total cost was estimated at €23 500 000, from which would be subtracted the resale price of Latarjet, BRC, Takamatsu, Sasakawa and the Tower itself, the current estimate for which was €16.8 million using a price of €1500 per m<sup>2</sup>. He said it was suggested that the cost of urgent repairs needed to secure the functioning of the current Tower building for five years, estimated notionally at €500 000, would have to be financed by resources provided by the Governing Council. He said that the revised estimate of the cost of renovating the current building was €17 million, but that once the cost of renting office and minimum laboratory space over at least three years was added, the total cost of renovation came to some €20 million. He concluded that since renovation was more expensive than construction, the only realistic long-term option was the construction of a new centre, financed through the sale of the current location and its buildings. He said that a zero per cent interest bridging loan would be required as hiatus funding between the construction and the sale of the current premises.

He said that the Governing Council was therefore invited to: a) support the principle of a new building on a new site as the solution to accommodation for the future of IARC; b) to authorize the Agency to negotiate that option in detail with France as the host country and the City of Lyon, in comparison to the option of full renovation, for consideration by the Working Group on Infrastructure and subsequently by the Governing Council at its fifty-fourth Session; and c) to request the City of Lyon to accept responsibility for provision of adequate infrastructure under the terms and the spirit of the existing convention, such that the Agency could deliver its mandate.

The CHAIRPERSON thanked the Director of Administration and Finance for his thorough presentation and opened the floor for discussion.

Professor VAINIO (alternate to Professor Puska, Finland) said that he had been at IARC when some asbestos had been removed from the building 20 years earlier. He said that since the building was obviously a sick and ageing building, what worried him was what happened to the staff working there. He said he therefore wished to know whether air quality had been measured.

Ms FLAMANT (France) said that she wished to make clear the important distinction between France as host country and the City of Lyon, as owner of the premises that IARC occupied. She said that when in 2007–2008 the Governing Council had asked for a Working Group on Infrastructure to be set up, it had been impossible to know the dire state of disrepair the building was in and that she found it astonishing that the building should have got to that state of disrepair without more warning.

She said that the option of constructing a new building had only recently been put on the table and noted with satisfaction that the IARC Administration seemed to want to stay in Lyon, as it was important for France that IARC remained in the country. She said that although she had learned with satisfaction that the Mayor was amenable to the idea of a new building, it was difficult to imagine that the City of Lyon alone would be able to cover the cost of the construction, necessitating the involvement of other partners. She said that although it had been the position of her Government that the cost of renovations fell to the City of Lyon as landlord, the option of a new building was a different scenario and it was likely that the Mayor would turn to the State for funding. She said that she would therefore abstain from any vote on the matter as she had no mandate from her Government in that regard. However, she emphasized that her abstention should not be interpreted as a rejection of the proposal.

Dr KEINHORST (Germany) said that she agreed on the need to arrive at a solution as soon as possible, and that IARC needed an appropriate and health-promoting environment for its staff. However, she said that she thought the Governing Council did not yet have sufficient information to be able to conclude that a new building was needed. She questioned the validity of the estimated resale value of IARC's buildings, as it seemed to her unlikely that anybody would want to buy a building in such a state of disrepair. She said that more information was needed about the resale value and the likelihood of finding a buyer. She also questioned the costings for the construction of new laboratories and said that it was vital to have reliable data before deciding upon anything. She said she did not see a basis for a resolution supporting the principle of a new building and would not want to take the first step without knowing the financial implications for Participating States. She proposed that the Administration continue to explore the feasibility of all the different options with the City of Lyon.

Dr PALMER (United Kingdom), Vice-Chairperson, said that in his country, the Medical Research Council that he represented had faced a similar dilemma, and had eventually decided to rebuild its laboratories in Cambridge and London. He said it was legitimate to consider whether existing buildings were fit for purpose and make a rational decision to rebuild. He said that the principle of rebuilding was a good one, but he recognized that the proposal had risks. He said that it was understood that any costings could only be preliminary as the cost of any new building would depend on its design, but that for the Governing Council the concern was to understand the risks to IARC of following any particular route. He said that a resolution should therefore empower IARC to explore such questions and come back to the Governing Council with the kind of information that Dr Keinhorst had requested.

Mr FARIS (alternate to Dr Harford, United States of America) said he endorsed the need for options to be further explored, including the possibility of taking over an existing facility elsewhere in the city. He added that in his experience of similar projects elsewhere in the United Nations system, construction projects typically ended up costing twice as much as had been anticipated and that their true cost could not be known until a company had committed to doing the work at a fixed price. He said that the usual practice was to begin by exploring options, then commit to

designing a facility if that became the preferred option, with the design then forming the basis of a subsequent decision to commit the resources to actually construct.

Dr STEBER BÜCHLI (Switzerland) asked whether the conclusions of the Working Group on Infrastructure had been the same.

Dr LAFIF (Director, Division of Administration and Finance) said that when the Administration had met with the City of Lyon in February it had not had all of the evidence presented to the Governing Council, but it had come to the conclusion that a new building was a good idea. He said that although IARC still did not have all of the information required in terms of numbers, the estimated numbers were all pointing in one direction. He said that the City of Lyon had called off a meeting scheduled for April as it had decided it was not ready to meet. He recalled that the Mayor had approved the principle of a new construction. However, he emphasized that he was asking only for a mandate to discuss a new building as an alternative to renovation.

He reassured the Governing Council that air testing had found the level of asbestos in the air to be in line with normal background levels and that it posed no risk to staff so long as it remained sandwiched inside the doors and walls in which it was used. However, the costs that would be incurred when it became necessary to remove them would be prohibitive. He said that although he understood the feeling that the change of course had come late in the day, he felt that there was sufficient evidence that renovation was not the best way forward – although he emphasized that the proposal was only to discuss the options. He said that the estimated costs per square metre of space had been obtained by asking local real estate experts, but emphasized that they could only be estimates. He said that a solution was needed as soon as possible, but that accurate information was vital. He said that the process of constructing any new building would be long, but that the first step was to explore which was the best option. He said that he thought it unlikely that an existing building would be appropriate for IARC's purpose.

The CHAIRPERSON emphasized that the Governing Council was not making any financial commitment but was merely authorizing the Administration to continue to explore the matter and to discuss it with the City of Lyon and with France as the host country. He suggested that the representative of Germany discuss the wording of a possible resolution with the Administration overnight.

The SECRETARY, responding to Dr KEINHORST (Germany), clarified that Dr Lafif was indeed only asking the Governing Council at that stage to authorize IARC to continue to explore the two options.

**The meeting rose at 18:30.**