

**REPORT FROM THE SUBCOMMITTEE ON THE ADMISSION OF NEW  
PARTICIPATING STATES REGARDING THE CRITERIA FOR  
AND IMPLICATIONS OF ADMITTING NEW PARTICIPATING STATES**

1. At the last Session of the Governing Council in May 2011 the Subcommittee on the Admission of new Participating States had expressed the need to meet again by teleconference before the 54<sup>th</sup> Governing Council session in order to discuss at greater length the criteria for and implications of admitting new Participating States (PS). The Subcommittee needed clarification with regard to the assessment of the criteria for the admission of new PS and related issues with the guidance of the IARC Director on how to proceed. Dr Wild had provided a supporting document in advance of the teleconference, which formed the basis of the discussion (see points **1)** to **5)**, below).
2. The teleconference was held on 25 October 2011. Participants in Lyon, included Dr Mark Palmer (Governing Council Vice-Chairperson and Subcommittee Chair [UK]), Dr Christopher Wild (Director, IARC), Dr Hichem Lafif (Director of Administration and Finance, IARC) and Ms Joanne McKeough (Office of the Legal Counsel, WHO). Dr Joe Harford (USA) and Dr Shiho Takaoka (Japan) participated by telephone. Professor Pekka Puska (Governing Council Chairperson [Finland]) and Dr Carlos Segovia (Spain) participated by telephone for part of the teleconference. Dr Morag Park (Canada) was unable to be reached by telephone and Dr Irene Keinhorst (Germany) was unable to participate but she had preliminary discussions with Dr Mark Palmer beforehand.
3. The Subcommittee agreed that the Secretariat should prepare a document for the 54<sup>th</sup> Governing Council in order to:
  - explain why it was important to attract new PS and why there should not be a restriction on the number of PS;
  - list the criteria to assess acceptance;
  - discuss budget issues linked to accepting new PS;
  - explore further the phasing-in of assessed contributions and its implementation within a specified time-period;
  - allow flexibility regarding use of unbudgeted assessments of new PS but that there should be no expectation from new PS to have a say in how to spend their contribution.

## **1) Future financing of IARC – new PS in context of other options**

4. The demand for cooperation with the Agency is increasing in relation to provision of information on cancer, scientific collaborative research, technical support and training. The demand is international, with a focus in low- and middle-income countries. It is likely to further increase given the evolving international emphasis on noncommunicable diseases. As a specialized agency with a long and trusted record, IARC has a remarkable opportunity to provide leadership in relation to the current and future needs of countries and regions.

5. The Agency can respond to the above through a balance between: 1) working effectively through partnerships with other organizations which have shared goals and 2) by increasing its own capacity to support collaborative activities. The finances for the latter can be achieved in four principal ways:

- New Participating States;
- Voluntary designated contributions (currently mostly through competitive research grants);
- Undesignated contributions;
- Cost savings such that an increased proportion of existing budget is assigned to the scientific programme.

6. All four approaches are being followed. Of the four options, the first and fourth provide stability for the support of core programme areas. The fourth has a finite potential. Thus the joining of new PS is of high strategic importance to the future of the Agency to maintain and also increase its activities.

7. The benefit of new PS is not primarily financial. The changing demography of cancer research implies that the Agency should broaden its scope of Participating States. Contributions to the work of the Agency at a scientific and technical level now come from a far wider range of countries than was the case even ten years ago. This includes low- and middle-income countries where the evidence-base for cancer control is increasingly appreciated.

8. The Subcommittee agreed that the issue of pursuing admission of new PS was related both to scientific benefits as well as finance, that it would ensure a better geographic representation on the Governing Council and increase credibility in a broader context, and is therefore an important objective.

## **2) Criteria for determining that “the State is able to contribute effectively to the scientific and technical work of the agency” (Statute Article XII)**

9. The underlying principle expressed in the Statute is that PS should bring not only financial support but also technical expertise and scientific collaboration to the mission of the Agency. The scientific community of a PS should therefore truly participate in the programme of IARC. This implies an active and collaborative cancer research community.

10. Overwhelmingly the cooperation is driven by collaborations at a personal or institutional level. Given the nature of science and scientific collaboration this is expected. Specific

collaborations with IARC scientists on defined priority areas are typically ongoing at the time of application for membership and are most often the stimulus to the membership application.

11. In the past the disciplines within the cancer research community interacting most with the Agency have been epidemiology, biostatistics and laboratory scientists working on mechanisms of carcinogenesis. The Agency has had relatively less engagement with basic science, clinical research, drug development and clinical trials. More recently it is notable that scientists from an extended set of disciplines are interested in cooperating with IARC, including in the areas of: biomarker and biobanking, early detection, screening, prevention and implementation research.

12. In looking at the opportunities for a new PS to contribute to the work of IARC one may therefore consider, among other points:

- The presence of an active cancer research community, including relevant expertise in the areas of IARC activities;
  - a. Is there a national cancer institute or equivalent "lead" cancer organization?
  - b. How extensive is cancer research funding in the public and NGO sectors?
  - c. Is there a national cancer control plan?
- The PS shares the research priorities of IARC, as described in the Agency's Medium-Term Strategy;
- There is evidence of current scientific and technical exchange with IARC.

13. The above points are evaluated during the discussion phase for membership and should form a part of the formal application. It may be beneficial to develop a standardized application form to cover these and other areas in a more structured manner. However, it is important to recognize that participation in IARC also stimulates new areas of work and levels of cooperation. Thus any *a priori* criteria should allow for and place value on potential future developments.

14. It is necessary to retain flexibility; even if a WHO Member State not currently very active in cancer research were to apply for admission, it would still be advisable to consider its application to IARC. There are countries where there is huge potential that may not yet be mature but for which international collaboration could be a decisive factor. IARC could set criteria and develop a more formalized approach to the application by potential PS, especially regarding the technical and scientific issues.

15. Structuring future applications around the points described immediately above was supported.

### 3) Advice to the Director on long term policy of admitting new PS:

- Optimal numbers;
- Risks/benefits.

16. One of the strengths of the Agency is that the number of PS is at a level whereby the contribution of each is visibly important to the whole. All States participate in the Governing Council at the same level of engagement. Every State has the right to nominate a scientist on the Scientific Council, ensuring at least one link to the respective scientific communities.

17. The current working atmosphere of the governing bodies is relatively informal for a UN agency and the limited size provides for flexibility and responsiveness. The relatively narrow range of financial contributions to the total Agency budget also reflects equity among PS.

18. The Agency would benefit from the presence of a broader representation both geographically (notably from Latin America, Africa and south-east Asia) and from low- and middle-income countries participating in its governing body. Indeed if such a change is not made, the Agency may increasingly appear distant from the constituency it serves, particularly as cancer and other noncommunicable diseases become more common in low- and middle-income countries over the next two decades. A broader geographic spread of PS would facilitate the scientific and technical activities of the Agency on a global scale. This is particularly timely given the sensitization to the global NCD agenda.

19. Nevertheless, it is vital that any new PS joining the Agency does so with a clear understanding of the governance structure and has a commitment in a corporate sense to the Medium-Term Strategy as defined by the Governing Council.

20. It was agreed that the advantages of having more PS outweigh the disadvantages; therefore the Subcommittee was not in favour of setting a limit on the number of PS, which should remain open in this evolving research community.

21. For the information of the Council, the Director is discussing membership at different stages of development with the following countries (by alphabetical order): Argentina, Brazil, China, Mexico and Singapore.

### 4) Review the process of phasing in new PS contributions:

- Impact of phased contributions on existing PS;
- Advantages and disadvantages of phased contributions;
- Alternative approaches to current phased contribution mechanism.

#### ***Impact on assessed contributions for Participating States***

22. The Governing Council has recently considered a number of financial models in relation to new PS (see document GC/51/9). The over-arching principle is that the arrival of a new PS should not cause an increase in the contribution of any existing PS. This will be achieved through a mechanism whereby the financial contribution of a new PS leads to an increased overall budget and a small reduction or no change in the contribution of existing PS. This decision was included

in Resolution GC/50/R17 following the accession of Austria for the subsequent biennium. The above model does reduce the total financial benefits to the Agency of a new PS joining because some of the contribution is used to reduce the contribution of existing PS. However, the model does also permit new PS to see new programme areas develop.

23. Discussions brought forward the possibility for current PS whose assessed contributions would decrease, to maintain the level of their contribution prior to the inclusion of new PS to the Agency. This could be achieved through Voluntary Contributions.

### ***Phased contributions***

24. The question of phasing in contributions for new PS (25%, 50%, 75% and 100% over four years) was considered by the Governing Council most recently at GC/51 (May 2009) and the principle was retained (see Resolution GC/51/R7). The phasing in of contributions for new PS is also described in Financial Regulation 4.3.\* Views were expressed by recent new PS (Austria, Ireland and the Republic of Korea) that this was an important factor in their joining the Agency. A similar view has been obtained through discussions in the lead up to Turkey becoming a PS. A general view from the Governing Council was that this was a valuable mechanism to encourage new PS.

25. A disadvantage of the phased contributions is the lag between membership and a significant impact on the budget of the Agency.

26. There was also the issue of a PS that had withdrawn from IARC and several years later wished to be readmitted. The advice from the Legal Counsel of WHO was that when such a PS withdrew, it ceased to be PS for all purposes. As a result, if such a PS wished to become a PS again, it would be correct to characterize it as a new PS. If the Governing Council wished to take a different approach (for example, because of a concern that a PS might withdraw and apply anew solely to benefit a second time from the graduated formula), a Resolution would have to be adopted in which it would be agreed that the graduated formula would apply only to countries that had never in the past been a PS, or had not been a PS within a number of years, to be decided (e.g. ten).

27. Since negotiations with Argentina and Brazil (who both formally withdrew from IARC in 2001 but have both settled their outstanding contributions since then) as well as the other countries mentioned above have started on the understanding that they would benefit from the gradual increase, it would be difficult to change as these countries have already been informed. Consideration for the future should therefore be made aside from these countries.

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\* Paragraph 4.3 of IARC Financial Regulations: New Participating States admitted under the provisions of Article III of the Statute shall be required to pay 25% of a full contribution in the first year of membership from which the amount due to the Working Capital Fund shall be appropriated, 50% of a full contribution in the second year of membership, 75% of a full contribution in the third year of membership and 100% of a full contribution in the fourth and following years of membership.

28. The Governing Council may consider: 1) keeping the phased contributions for all new PS; 2) keeping the phased contributions for all new PS and encourage accelerated contributions; 3) restricting the phased contributions to some countries (e.g. based on the United Nations Development Programme (UNDP) Human Development Index); 4) removing the phased option.

29. One additional option could be to reduce the number of steps from four to three years, with a 1/3, 2/3 and then full contribution. This change could take effect in say two years' time to allow and encourage the countries now considering applying to finalize their membership under the current conditions.

30. At an advanced stage of negotiation regarding a new PS, there may be occasions where it would be helpful to have the Director, the Chair or Vice-Chair of the Governing Council or another member discuss the financial details of membership, including the phased contributions with the government of the potential new PS.

#### **5) Discuss policy regarding attribution of unbudgeted assessments to priority aims of new PS**

31. In recent years the unbudgeted assessments of new PS have been made available to the Director through Governing Council resolutions.

32. The programme areas to be supported from unbudgeted assessments have been proposed by the new PS. This provides an opportunity for an immediate influence and visible impact of joining IARC for the new PS. Such funds also represent one of the few areas of flexibility for the Director in managing and delivering the overall strategy of the Agency. This also allows the Director to act quickly, pending receipt of funds from other sources.

33. In principle, however, existing PS cannot dictate how their contribution is to be used, so it may be questioned why a new PS should have more prerogative, especially as they already benefit from a phased-in contribution.

34. There was support for the unbudgeted assessments to be made available to the Director but with no specific subject areas for use being defined by the new PS. The wording used for the admission of Turkey (see resolution GC/53/R22) would be appropriate "[The Governing Council] AUTHORIZES the Director to use the unbudgeted assessments from Turkey for 2012–2013 towards the activities of the Agency."

35. The Governing Council is invited to discuss the above and consider the proposed two DRAFT Resolutions below that will cover the criteria for admission of new PS and the gradual increase of contributions for new PS:

**Report from the Subcommittee on the Admission of New Participating States regarding the criteria for and implications of admitting new Participating States (Draft Resolution 1)**

The Governing Council,

Having reviewed Document GC/54/15 "Report from the Subcommittee on the Admission of New Participating States regarding the criteria for and implications of admitting new Participating States",

1. THANKS the Subcommittee for its report;
2. SUPPORTS pursuing admission of new Participating States without setting a limit on the number of Participating States, which should remain open to any Member State of the World Health Organization in this evolving research community;
3. AGREES with the development of a standardized application form, keeping in mind that participation in IARC also stimulates new areas of work and levels of cooperation and thus any a priori criteria should allow for and place value on potential future developments;
4. DECIDES that, in reviewing applications from new Participating States to assess whether "the State is able to contribute effectively to the scientific and technical work of the agency" (Statute Article XII), the Subcommittee should receive structured information in the following areas:
  - A description of the current cancer research community, including relevant expertise in the areas of IARC activities;
  - Details of the presence of a national cancer institute or equivalent "lead" cancer organizations;
  - A description of cancer research funding in the public and NGO sectors;
  - Information on a national cancer control plan, if one exists;
  - The potential for the PS to contribute to the research priorities of IARC, as described in the Agency's Medium-Term Strategy;
  - Evidence of current scientific and technical exchange with IARC.

**Report from the Subcommittee on the Admission of New Participating States regarding the criteria for and implications of admitting new Participating States: Gradual increase in payment of assessed contributions (Draft Resolution 2)**

The Governing Council,

Having reviewed Document GC/54/15 "Report from the Subcommittee on the Admission of New Participating States regarding the criteria for and implications of admitting new Participating States",

Recalling its Resolution GC/37/R9 on the gradual increase of contributions for new Participating States and paragraph 4.3 of IARC Financial Regulations,

1. DECIDES to retain the gradual increase of contributions for all new Participating States as described in Article 4.3 of the Financial Regulations and Resolution GC/37/R9, paragraph 1;

OR

2. DECIDES that the gradual increase of contributions for new Participating States as described in Article 4.3 of the Financial Regulations and Resolution GC/37/R9 will apply to a restricted group of Participating States (e.g. based on the United Nations Development Programme (UNDP) Human Development Index);

OR

3. DECIDES that the gradual increase of contributions for new Participating States as described in Article 4.3 of the Financial Regulations and Resolution GC/37/R9 formula will apply only to States that have never before been a Participating State\*, and decides to amend the Financial Regulations accordingly;

OR

4. DECIDES that for applications received after the Governing Council's 56<sup>th</sup> regular Session in 2014, each new Participating State will pay:

- (i) one-third of its assessed contribution in the first year of membership;
- (ii) two-thirds of its assessed contribution in the second year of membership; and
- (iii) its full assessed contribution in the third and subsequent years of membership, and decides to amend Article 4.3 of the Financial Regulations accordingly.

5. AUTHORIZES the Director to use the unbudgeted assessments of new Participating States towards the activities of the Agency.

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\* Excluding Argentina and Brazil, in light of discussions with representatives of Argentina and Brazil that occurred before the present Resolution was adopted.

6. Recalling its Resolution GC/51/R7, ENCOURAGES current PS whose assessed contributions may reduce as a consequence of admission of new PS, to maintain their level of contribution through other available mechanisms such as Voluntary Contributions.