

International Agency for Research on Cancer



**Governing Council
Fifty-fourth Session**

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MINUTES OF THE SECOND MEETING

IARC, Lyon

Thursday 17 May 2012, at 13:40

Chairperson: Professor Pekka Puska (Finland)

Secretary: Dr Christopher P. Wild, Director, IARC

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Participating States Representatives

Professor Pekka PUSKA, <i>Chairperson</i> Dr Sakari KARJALAINEN Professor Harri VAINIO	Finland
Dr Mark PALMER, <i>Vice-Chairperson</i>	United Kingdom of Great Britain and Northern Ireland
Dr Diane STEBER BÜCHLI, <i>Rapporteur</i>	Switzerland
Professor Christopher BAGGOLEY	Australia
Dr Hemma BAUER	Austria
Mr Lieven DE RAEDT	Belgium
Dr Morag PARK Ms Lucero HERNANDEZ	Canada
Professor Herman AUTRUP	Denmark
Professor Agnès BUZYN	France
Dr Irene KEINHORST	Germany
Professor G.K. RATH (unable to attend)	India
Dr Tony HOLOHAN (unable to attend)	Ireland
<i>No Representative</i>	Italy
Dr Masato MUGITANI Dr Yukiko NAKATANI	Japan
Mr Jeroen HULLEMAN	Netherlands
Dr Henrietta BLANKSON	Norway
Dr Byung-Guk YANG Dr Soon-se PARK Dr Jeongseon KIM	Republic of Korea

Dr Oleg SALAGAY Dr Elena SKACHKOVA Ms Yulia BAKONINA	Russian Federation
Dr Carlos SEGOVIA	Spain
Professor Mats ULFENDAHL (unable to attend)	Sweden
Professor Murat TUNCER	Turkey
Dr Lisa STEVENS Dr Joe HARFORD Dr Peter MAMACOS	United States of America

World Health Organization

Dr Oleg CHESTNOV, Assistant Director-General
Ms Joanne MCKEOUGH, Office of the Legal Counsel
Dr Cecilia SEPULVEDA, Chronic Diseases Prevention and Management
Dr Andreas ULLRICH, Chronic Diseases and Health Promotion

Observers

Professor Ian FRAZER, Outgoing Chairperson, Scientific Council
Professor Mads MELBYE, Incoming Chairperson, Scientific Council

Union for International Cancer Control (UICC)

Mr Cary ADAMS, Executive Director

External Audit

Ms Usha S. SANKAR, Additional Deputy Comptroller and Auditor General of India

Secretariat

Dr C.P. WILD, *Secretary*
Dr D. ALLEN

Dr R. BAAN
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Dr P. BRENNAN
Dr G. BYRNES
Ms D. D'AMICO
Mr P. DAMIECKI
Dr D. FORMAN
Dr S. FRANCESCHI
Ms E. FRANÇON

Dr N. GAUDIN
Dr Z. HERCEG
Dr R. HERRERO
Dr A. KESMINIENE
Dr J. MCKAY
Dr M. MENDY
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Dr H. OHGAKI
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Dr M. PLUMMER

Dr I. ROMIEU
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Dr A. SCALBERT
Dr J. SCHÜZ
Dr N. SLIMANI
Dr E. STELIAROVA-FOUCHER
Dr K. STRAIF
Dr B. SYLLA
Dr M. TOMMASINO
Dr L. VON KARSA

1. PLAN FOR FUTURE INFRASTRUCTURE PROJECTS (INCLUDING OPTIONS FOR FINANCING): Item 9 of the Agenda (Document GC/54/6)

Mr ALLEN (Director of Administration and Finance) recalled that, following the founding of IARC in 1965, France had volunteered to host the Agency; in 1972, the tower building had been built with local, regional and national funding on land owned by the City of Lyon. An agreement for provision of premises, signed with the City of Lyon, would remain valid until 30 September 2032. According to that agreement, the Latarjet and BRC buildings and the Sasakawa/Takamatsu annexes built by IARC would remain the property of the Agency until the lease ended or until it moved premises.

The state of the tower and the consequent risk to IARC's business continuity had been outlined at the Governing Council meeting in 2011. Since that time, the City of Lyon had confirmed its ongoing commitment to providing premises for the Agency. Advice provided by the Governing Council Working Group on Infrastructure had been taken into account by the Steering Committee in presenting the scenarios considered for the longer-term housing of the Agency and set out in document GC/54/6. It was clear from a diagnostic of the tower's infrastructure that the building would be unserviceable in the long run without major overhaul. Based on the results of a technical study carried out by a contractor, the Mayor and President of Grand Lyon had decided to recommend the option of building premises on a new site and to seek funds to that end. In the meantime, the City of Lyon had approved a three-year budget to carry out prioritized repairs to the tower to allow IARC activities to continue.

The WHO Office of the Legal Counsel had advised IARC against making any contributions to the project that could imply shared ownership of any new building that was constructed. IARC's position throughout its discussions with the City of Lyon was that any solution found by the host should not have additional financial implications for the Agency. It was estimated that there would be considerable savings in running costs if the Agency were to operate from new premises.

Dr PALMER (United Kingdom), Vice-Chairperson, noted that the proposal to have a new build included costs for refurbishment; he asked whether there would be costs to replace equipment that could not be relocated to the new site. He also wished to know whether there would be additional operational costs associated with running the programmes at the new site.

Dr KEINHORST (Germany) commended the progress made by the Director and the commitment of the City of Lyon and France to the new project. Speaking as a member of the Governing Council Working Group on Infrastructure, she had found the recent teleconference with the Secretariat very useful. Germany noted that the study showed that constructing a new building was probably the best solution, although a number of questions remained to be clarified. Germany also noted that there would be a transfer of ownership of the buildings on the present site if the Agency moved to a new location. While Participating States could make voluntary contributions, she could not agree to any requirement to make mandatory contributions to the new project. She asked within which time period the savings achieved as a result of the repairs to the tower would be made.

Concerning the proposed new construction, the costs appeared to be higher than those for comparable institutions; it might also be possible to reduce the number of square metres required. As mentioned during the teleconference, a transparent planning process would need to be conducted in accordance with advice from the WHO Office of the Legal Counsel to ensure that responsibilities were made clear and in particular that IARC did not take responsibility for any tenders. It would be helpful to develop a vision of IARC's future need for laboratory space and to assess the possibility of outsourcing laboratory facilities or collaborating with other institutions in that respect.

Dr MUGITANI (Japan) asked whether the possibility of asking Participating States to help to source financial assistance had been explored. If details of the required funding could be made available, he would undertake to discuss the situation with Mr Sasakawa, with whom he was due to meet during the following week.

Ms HERNANDEZ (alternate to Dr Park, Canada) agreed with the member for Germany that it would be useful to discuss the future of the Agency and how its work would develop in the next 15 years. The possibility of working in a more decentralized manner should be considered before any decisions were taken on options for the buildings.

Dr MAMACOS (alternate to Dr Stevens, United States of America) expressed appreciation for the commitment to the Agency shown by the City of Lyon through its financing of the emergency repairs. He would be willing to consider endorsing the third option provided that it did not involve a partial cost-sharing scheme and encouraged further discussions with the City of Lyon and with regional and national government in France concerning the financing of that option. He supported the remarks of the members for Germany and Canada concerning the need for a transparent planning process and for a building that would match a vision for the Agency over the next 20 years.

Dr BÜCHLI (Switzerland) expressed appreciation for the work already accomplished by IARC and by France. She agreed that the present situation provided an opportunity to ask what would be the aims and needs of IARC over the coming 20 years. In particular, what did the Member States of WHO expect of the Agency and what were the thoughts of the Scientific Council on its vision?

Mr DE RAEDT (Belgium) said that his thoughts were similar to those of the members for Canada, Germany and Switzerland. Before deciding whether to construct a new building, further reflection and discussion on strategy would be required, bearing in mind the reform process in which WHO was currently engaged as well as the content of IARC's Medium-term strategy. Belgium would be reluctant to finance a new building and would like to understand further the financial implications of the infrastructure project.

Dr BAUER (Austria) joined previous speakers in thanking the Agency and the City of Lyon for the work that had been done since the previous session of the Governing Council. She agreed that many questions remained in relation to the possible new building and how it would match the vision of IARC in the coming 15 years. Austria could support the third option provided there was clarity on the financing of the project.

Professor BAGGOLEY (Australia) acknowledged the work already done by IARC and the City of Lyon. He agreed that the form of the building should be defined in accordance with the Agency's strategy. Noting the remarks of the Scientific Council that it would be preferable to reduce the number of silos, he was in no doubt of the value of containing the Agency within one site. He supported the choice of the third option, the case for which had been well made, subject to the outcome of discussions between IARC, the City of Lyon and the government of France. He had understood that there was a low likelihood that Participating States would be asked to make a financial contribution.

Mr ALLEN (Director of Administration and Finance), responding to questions raised, said that IARC had also found some of the costs outlined in the documentation of the City of Lyon high; there might have been some overestimation of costs but the situation would become clearer over time. The costs of moving would be somewhat offset by the opportunity to operate from a larger, more modern building since the structure of the tower was very inefficient. Any new lease entered into by the Agency would require scrutiny by the Governing Council. The requirements for the new building had been evaluated by the Steering Committee based on a review of past and future needs. The possibility of distributing laboratory work to various locations had been carefully considered in the context of the growth of activities within a collaborative research model. There would be no formal involvement of the Agency in the building process, which would be conducted in accordance with French and European auditing structures and regulations. The Agency would be very grateful if the member for Japan could pursue the topic of support with Mr Sasakawa.

The SECRETARY agreed that the acute problem of the degradation of the current building had created an opportunity for IARC to reflect on how a new building would affect its long-term strategy. However, in science, it was very difficult to think 25 years ahead: when he had first entered IARC in 1984, many of the major discoveries that were now influencing cancer research had not been made or even conceived of. Realistically, the Agency should maintain flexibility in order to be able to respond to the changing scientific landscape. It could certainly envisage some of its research agenda in response to the global demand for reliable, evidence-based research on noncommunicable diseases, including from countries that were unable to generate research, and to play a role, in conjunction with WHO, in translating research into practical advice. He was of the view that epidemiology would increasingly be seen as incorporating laboratory science and therefore an interdisciplinary approach would also need to be maintained and developed. The Scientific Council would discuss at its meeting in January 2013 how IARC's scientific future should be reflected in the new building and the Agency as a whole could examine the question.

The RAPPORTEUR read out the following first draft resolution on the plan for future infrastructure projects (including options for financing) (1) (GC/54/R5):

The Governing Council,

Having considered Document GC/54/6 "Plan for future infrastructure projects (including options for financing)",

Recalling its Resolutions GC/51/R8, GC/52/R8 and GC/53/R11,

Noting the risks posed by the current state of disrepair of the tower building and its poor fit to the future strategy of the Agency,

1. THANKS the City of Lyon for accepting responsibility, as per the terms of the existing Convention with the Agency, to provide adequate infrastructure to the Agency and carry out requisite repairs in the Tower to mitigate critical infrastructure risks;

2. THANKS the City of Lyon and Grand Lyon for their exceptional support towards safeguarding the Agency's scientific activities both on a short-term and long-term basis;

3. ENDORSES the Secretariat's continued cooperation with France as the host country, the Regional authorities and the City of Lyon on moving forward with the "Nouveau Centre" project and the related fund raising; and

4. *[Further to the request from the President/Mayor of Lyon, provide guidance on what forms of contributions to the project the Governing Council would or would not consider.]*

The CHAIRPERSON said that two additional points could be added to reflect the Governing Council's discussions: that no additional mandatory payments should be required from Participating States; and that, after consultations with the Scientific Council, the Secretariat should produce a vision paper for consideration by the Governing Council at its next meeting.

Dr KEINHORST (Germany) supported the amendments proposed by the Chairperson. She was concerned that there should be sufficient time for members to receive and send to their capitals for assessment both the outcome of the deliberations of the Scientific Council and any necessary financial information before the Governing Council was required to take any decisions on the project.

Ms HERNANDEZ (alternate to Dr Park, Canada) said that, given the time pressures, rather than waiting until January 2013, the Governing Council could form a joint committee with the Scientific Council in order to ascertain its members' views.

Mr DE RAEDT (Belgium) said that, in developing a scientific vision for IARC, it would also be helpful to consult with WHO on any possible future collaboration.

The CHAIRPERSON said that the preparations would continue without delay. He understood that the Director would liaise with the Scientific Council.

Dr PALMER (United Kingdom), Vice-Chairperson, said the new building would have to be fit for purpose in relation to the science that was current at the time the Agency moved in. It would be key to ensure that some measure of flexibility was retained. He agreed that it would be necessary to develop a high-level strategy but cautioned against preparing too detailed a vision statement.

Dr BAUER (Austria) suggested that the process should include consultation with all members of the Governing Council depending on the progress made in the negotiations with France.

Dr KEINHORST (Germany) said that she would like the vision to include practical questions such as the projected numbers of personnel. The new building appeared to provide 30% more laboratory space than was currently required and she wondered whether the Agency needed to be expanded by that much.

Dr BÜCHLI (Switzerland) said that the Governing Council Working Group to examine infrastructure projects should be assisted in its deliberations on the vision by a representative of WHO and by a member of the Scientific Council.

The SECRETARY said that the proposed increase in capacity stemmed in part from the assessment that a proper biobank would be a key component of the Agency's future science. In addition, until the site had been located and the footprint of the building determined, it was difficult to estimate how many floors would be required for common laboratory space and separate units. It was possible that the size would be decreased once those factors were known. He proposed that a meeting be held in late autumn with representatives of the Scientific Council, the Governing Council and the Secretariat to develop some high level thinking on how the building should match the future science, which could then be communicated to the January meeting of the Scientific Council.

The CHAIRPERSON agreed that WHO and members of the Scientific Council should be consulted and regular communication maintained with the Governing Council Working Group to examine infrastructure projects. The Director could convene a high level meeting as appropriate. He suggested that the member for Germany, the Vice-Chairperson and the Rapporteur should compose amendments to the draft resolution and submit them for approval to the Governing Council on the following day.

It was so **agreed**.

The RAPPORTEUR read out the following second draft resolution on the plan for future infrastructure projects (including options for financing) (2) (GC/54/R6):

The Governing Council,

Having considered Document GC/54/6 "Plan for future infrastructure projects (including options for financing)",

Recalling its Resolutions GC/51/R8, GC/52/R8 and GC/53/R11,

Noting the need for the Agency to ensure business continuity through this unpredictable period, and to make financial provisions for potential expenses related to legal or expert advice on the "Nouveau Centre" project,

1. AUTHORIZES the allocation of €240 000 from the Governing Council Special Fund as follows:

- €125 000 for an additional connection to the electricity grid for the Latarjet building, and
- €115 000 as a one-year financial provision for potential business continuity expenses (€70 000) and for potential legal and specialized architectural design advice (€45 000);

2. ENDORSES the return of €1.05 million to the Governing Council Special Fund, which was authorized by Resolution GC/52/R8.

The CHAIRPERSON recalled that the member for Australia had indicated his support for the resolution. Speaking as the member for Finland, he indicated his own country's support.

Mr ALLEN (Director of Administration and Finance), responding to points raised by Ms HERNANDEZ (alternate to Dr Park, Canada), confirmed that there were sufficient funds within the Governing Council Special Fund to allocate the sums mentioned in the draft resolution.

He confirmed that an error had been made in correspondence sent by the City of Lyon and acknowledged that Canada had not offered to host IARC.

The draft resolution was **adopted**.

2. STATEMENT BY THE IARC STAFF ASSOCIATION: Item 10 of the Agenda (Document GC/54/7)

Dr BYRNES (Member of the Staff Association Committee) said that the IARC Staff Association had appreciated the recognition by the Governing Council in the previous year that staff was the most valuable component of the organization. In 2011, the Committee had presented the results of the biennial work climate survey, which demonstrated that working conditions had improved measurably since the preceding survey. There were a number of areas where further improvements would be possible, but it was difficult to find concrete solutions due to the nature of

the survey questions. In order to better identify where in the organization there was a need for improvement, a more specific survey had been drafted. The Committee would do its best to encourage a broad participation in the next work climate survey, scheduled for the end of 2012. In particular, it was hoped that the participation of "non-staff" (fellows, post-doctoral staff and students) would continue to improve. An important number of those working at IARC come under the title of "non-staff" although they make crucial contributions to the work of the Agency; however, WHO staff rules did not recognize them and, consequently, their rights and responsibilities had been poorly specified. The Fellowship Charter, created in 2011, was a welcome step towards uniform standards, but many fundamental conditions such as rates of pay, the availability of holidays and the provision of maternity or paternity leave remained at the discretion of Group Heads. The Staff Association Committee was pleased that a process had been launched to ensure consistent conditions of employment for non-staff across the Agency.

The global financial crisis continued to have an impact on WHO, leading to difficult times for many WHO staff. The Committee recognized the efforts of the Director in exercising responsible management of the budget, and the oversight by the Governing Council. Although IARC had been spared the need to make urgent changes it was a matter of concern that, since the Agency's Staff Rules were based on those at WHO, it might be affected by changes introduced to deal with the dramatic circumstances which it had been prudent to avoid. The Staff Association Committee was working in collaboration with WHO staff representatives and would strive to avoid unwarranted reductions of staff employment conditions.

Some changes had been launched with respect to budget and finance by senior staff who had left before their completion. The difficulty of juggling responsibilities to Organization-wide accounting on the one hand, and grant preparation on the other, had led to conflicts with scientific sections. The Committee had been pleased to welcome Mr David Allen, the new Director of Administration and Finance; it was hoped that he would find long-term solutions to the problems and his response to the perception of excessive bureaucracy by reviewing internal rules and procedures had been welcomed.

The state of the IARC buildings, in particular the Tower, was a major concern. The building structure was in a poor state as had been illustrated recently when the heating and ventilation system failed during half a day. The Director had informed the staff that due to those issues, the Agency would probably need to move to a new location. The move would present an opportunity to improve the environmental impact of the Agency, which was currently compromised by the energy-inefficient building. In evaluating potential sites for the relocation of the Agency, staff hoped that the importance of environmental issues was recognized, including proximity to the Lyon public transport system. The Committee was also pleased to note the "Green IARC" section of the work-plan of the Division of Administration and Finance.

Good working conditions were recognized as being beneficial to the Agency, including the health of staff. Nursing mothers had indicated their dissatisfaction with the breast-feeding facilities. The Committee had made available its meeting room as a more appropriate location. Other projects related to health and well-being included a proposal for a room where pregnant women, or other staff needing a short respite might rest, and the encouragement of physical activity, including group participation in the annual Lyon fun-run.

The DIRECTOR expressed his appreciation for the work of the Staff Association Committee, which played an important part in ensuring open dialogue and trust between the administration and staff. As highlighted in the report, communication had improved. He particularly appreciated the recognition that the Agency had tried to manage the financial pressures in a way that preserved staff positions. He concurred with the view that postdoctoral fellows and students, who were not classed as WHO staff, made an important contribution to the Agency's scientific output: a proper policy for payment had now been developed to ensure transparency in the stipends they received as well as standardization in the treatment of maternity, paternity and annual leave across the Agency. A new staff room was being set up on the ground floor at the present site. An IARC staff day to be held in the autumn would focus on internal processes feedback from staff across the organization. He looked forward to working constructively with the Staff Association in the future.

Professor BAGGOLEY (Australia) welcomed the statement from the Staff Association and was pleased to note from the results of the work climate survey that work conditions had measurably improved.

The CHAIRPERSON said that he had been pleased to see the encouragement of health promotion for staff, including healthy working conditions and physical activity. He welcomed the good relations between staff and the leadership of the organization and conveyed the thanks and best wishes of the Governing Council to the staff and the Staff Association Committee.

The Governing Council **took note** of the Staff Association statement.

3. AMENDMENTS TO IARC FINANCIAL REGULATIONS: Item 11 of the Agenda (Document GC/54/8)

Ms SANTHIPRECHACHIT (Administration and Finance Officer) said that IARC had been gradually implementing International Public Sector Accounting Standards (IPSAS) and, in line with the WHO framework and timeline, expected to be fully IPSAS-compliant by the end of the year. As a result of adopting the new standards, IARC would be required to publish financial statements on an annual basis. Consequently, the Governing Council was requested to endorse the amendments to the title and wording of Article VI of the IARC Financial Regulations as set out in document GC/54/8.

Ms HERNANDEZ (alternate to Dr Park, Canada), referring to the revised paragraph 6.1 of Article VI, said that it would be important to specify that the financial report should be received in good time and not immediately before the annual Governing Council meeting. She asked whether the sentence "the accounting records may, however, be kept in such currencies as the Director, IARC may deem necessary" meant that the Director could choose any currency he wished.

Mr ALLEN (Director of Administration and Finance) said that IARC submitted the report to the external auditors in February and the timing of the posting of the report was dependent on the external auditors thereafter. The situation concerning the timing of submission and the currencies remained unchanged from the previous version of the regulations. It was useful to retain some flexibility in relation to currencies: WHO was currently exploring the possibility of having a portion of their budget in Swiss francs.

Dr MAMACOS (alternate to Dr Stevens, United States of America) said that the United States fully supported the implementation by IARC of IPSAS as the standards would help to provide increased transparency and accuracy regarding the Agency's financial position. Not treating IARC's assets as a trust fund of WHO was consistent with IARC's autonomy and would result in a more accurate indication of WHO's financial position. Therefore, the United States endorsed the changes proposed.

Dr KEINHORST (Germany) said that she shared the concerns expressed by the member for Canada but had been comforted by the replies given by the Director of Administration and Finance. She understood that all of the information she wished to see, including position and cash flow statements, would be contained in the financial statements.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) confirmed that the statements mentioned by the member for Germany were defined in and a requirement of IPSAS.

The RAPPORTEUR read out the following draft resolution on amendments to the IARC Financial Regulations (GC/54/R7):

The Governing Council,

Having considered Document GC/54/8 "Amendments to IARC Financial Regulations",

Noting that as per the International Public Sector Accounting Standards (IPSAS), annual audited financial statements will be published as of 2012 and the issuance of unaudited interim financial reports will be discontinued,

DECIDES to amend Article VI – Reports and Audit (paragraphs 6.1 and 6.2) of the Financial Regulations of the Agency, to read as follows:

Present text

Article VI – Reports and Audit

6.1 At the end of the first year of the financial period the Director shall prepare an interim financial report describing the main features of the financial operations during the year. At the end of the second year of the financial period the Director shall prepare a final financial report for the financial period including the biennial accounts. Both reports shall be submitted for the approval of the Governing Council. These financial reports shall be presented in euros. The accounting records may, however, be kept in such currencies as the Director, IARC may deem necessary.

6.2 Audits of the accounts of the Agency shall be carried out by the internal as well as external auditors of the World Health Organization in accordance with their respective terms of reference. The external auditor shall report to the Governing Council on the biennial accounts for the financial period.

Amended text

Article VI – Financial Statements and Audit

6.1 Financial statements shall be prepared annually in accordance with International Public Sector Accounting Standards, together with such other information as may be necessary to indicate the current financial position of the Agency. The report shall be submitted annually for the approval of the Governing Council. The financial statements shall be presented in euros. The accounting records may, however, be kept in such currencies as the Director, IARC may deem necessary.

6.2 Audits of the accounts of the Agency shall be carried out by the internal as well as external auditors of the World Health Organization in accordance with their respective terms of reference. The external auditor shall report to the Governing Council on the annual accounts.

The draft resolution was **adopted**.

4. BIENNIAL FINANCIAL REPORT AND REPORT OF THE EXTERNAL AUDITOR FOR THE FINANCIAL PERIOD 1 JANUARY 2010 TO 31 DECEMBER 2011: Item 12 of the Agenda (Document GC/54/9)

Ms SANKAR (Additional Deputy Comptroller and Auditor General of India) said that the audit of IARC had been assigned to the Comptroller and Auditor-General of India for the financial periods 2008–2009 and 2010–2011 in accordance with Resolution WHA60.7. Under the United Nations System Accounting Standards (UNSAS), Management was responsible for the preparation and fair presentation of the financial statements, including the design and implementation of relevant controls. The 2010–2011 financial statements had been prepared in a more transparent manner as a result of the Agency's partial implementation of International Public Sector Accounting Standards (IPSAS). The external audit had been conducted in accordance with International Standards on Auditing. The 2010–2011 financial statements were shown to have no material weaknesses or errors and had received an unqualified audit opinion. The audits had been facilitated by excellent cooperation from IARC Management.

As it reached the end of its two terms of office, the office of the Comptroller and Auditor general of India would ensure a smooth handover to the new external auditor, the Chairperson of the Commission on Audit of the Philippines, especially keeping in view the implementation of IPSAS from 2012.

Mr ALLEN (Director of Administration and Finance), illustrating his remarks with slides, said that preparations for implementation of IPSAS would be completed by the end of 2012. With the flexibility afforded by the adoption of the euro from January 2010, the Agency had only had to use €170 000 from the Governing Council Special Fund in the current biennium as compared to US\$ 3.9 million used to cover exchange rate losses in the previous biennium. The regular budget had been fully expensed during the period and 97.75% of regular contributions had been received to date; it was understood that the remainder would be received from Participating States by the end of June. However, it was a matter of concern that the collection rate for 2012 was under 45%. The Working Capital Fund contained an unobligated balance of €2.75 million which was due to the continued payment of arrears by the Russian Federation; stable income from publication sales and an increase in revenue on exchange as well as earnings on interest. The voluntary contributions account remained stable. Capitalized assets were shown in the statements for the first time as a result of the gradual implementation of IPSAS and included the depreciated value of the buildings owned by IARC.

Ms HERNANDEZ (alternate to Dr Park, Canada) said that she was very pleased that the external auditor had been able to issue an unqualified statement. She encouraged countries to pay their contributions for the year, since it was important that the Agency should have the resources to ensure efficient functioning for the rest of the year.

Dr MAMACOS (alternate to Dr Stevens, United States of America) noted that IARC had ended the financial period 2010–2011 with a significant surplus and recommended that the funds be set aside until specific proposals for their use had been received and analysed in 2013. Although the financial statements were broadly IPSAS compliant, long-term accruals for staff entitlements did not reflect all future liabilities and were not sufficient to cover future costs. The value of long-term liabilities could be significant and would not be known until the actuarial value had been included in the 2012 financial statements. The funding of unfunded long-term liabilities was an issue throughout the United Nations System. The United States would continue to follow that situation.

Mr ALLEN (Director of Administration and Finance), responding to comments, said that he appreciated the remark encouraging Participating States to settle their accounts. Actuarial valuations would be completed that year as a result of IPSAS implementation. A reservation had been made against staff accounts in expectation of covering these long-term liabilities. He thanked the Comptroller and Auditor-General of India for the two terms of office served.

The RAPPORTEUR read out the following draft resolution on the biennial financial report and report of the external auditor for the financial period 1 January 2010 to 31 December 2011 (GC/54/R8):

The Governing Council,

Having examined the Biennial Financial Report and Report of the External Auditor for the financial period 1 January 2010 to 31 December 2011 (Document GC/54/9),

1. APPROVES the Report of the Director on the financial operations of the Agency; and
2. THANKS the External Auditor for his report and opinion as well as the Staff of IARC in preparing the report.

The draft resolution was **adopted**.

Mr ALLEN (Director, Administration and Finance) said that, further to a request made in 2011 by the member for Austria, he had prepared a slide showing an overview of developing staff costs. The slide showed that the projected cost increases had been realized and that there was an expected increase of 9%. Preparations for the next biennium budget would begin immediately after the present Governing Council. He would welcome ideas from Participating States on how to approach the overall budget value for 2014–2015, given the prevailing financial situation, new assessed contributions, and the positive encouragement of the Director's plans to explore new scientific programmes.

Ms HERNANDEZ (alternate to Dr Park, Canada) recommended that caution should be used in preparing the budget. Canada was facing difficult times, having cut 20 000 public service positions earlier that year as well as making cuts in programming.

The CHAIRPERSON took it that the Governing Council wished to note the report.

It was so **decided**.

5. BIENNIAL REPORT OF THE OCCUPATIONAL HEALTH AND SAFETY COMMITTEE (OHSC), 2010–2011: Item 13 of the Agenda (Document GC/54/10)

Dr BAAN (Chairman of the Occupational Health and Safety Committee) said that the Committee, which was a standing committee of the Agency, was composed of members chosen to represent each laboratory floor, the epidemiology groups, the Biological Resource Centre building (BRC), the Latarjet building, and a representative of the IARC Staff Association. The Administrative Services Officer, the Staff Physician and the Laboratory Safety Officer were ex officio members. The Chairperson of the Committee was nominated by the Director. The Committee had met seven

times during 2010–2011. The minutes of those meetings were posted on the OHSC web site on the Intranet. During the biennium, staff had been trained in respect of fire safety and the risks associated with handling liquid nitrogen.

Concerning radioprotection, the inner walls of the fifth and sixth floors of the tower building had been found to contain low levels of radiation due to building materials which came from a region in France with slightly elevated background radioactivity; however it was well below the safety norm in France and specific actions had been taken to protect technical staff, including when drilling and demolishing walls to avoid exposure to dust. Following the purchase of a gas chromatograph (CPG Series 7890A) with a micro-electron capture detector containing a sealed source of radioactive nickel [⁶³Ni], a request to upgrade IARC's status had been sent to the French ASN (Autorité de Sûreté Nucléaire) to obtain accreditation.

Actions to improve working conditions and to create a safer occupational environment at IARC were regularly undertaken. Ethidium bromide, the widely used dye to stain DNA had been withdrawn from all the molecular biology laboratories and replaced by Gel Red, which has not been shown to be mutagenic. In order to avoid UV exposure, a "dark reader" trans-illuminator (using a blue light instead of UV) had been bought and installed. Following complaints from 30 members of staff, soft hand soap had been introduced. Latex gloves had been replaced in order to avoid allergic reactions on the skin. A survey to eliminate the use of dangerous products in laboratories was administered twice each year. Only minor incidents had been reported in 2010 and 2011.

Professor VAINIO (alternate to Professor Puska, Finland) registering his interest in the topic in his capacity as the Director-General of the Finnish Institute of Occupational Health, said that reliable indicators for good quality occupational health included accident rates as well as the recording of absence rates for physical or mental illness. He inquired what records of them were kept at the Agency.

Dr BAAN (Chairman of the Occupational Health and Safety Committee) said that the accident rate at the Agency was very, very low. All staff were encouraged to report incidents even of a minor nature to the Committee so that there was a record and so that action could be taken if necessary. Less than five incidents had been reported in the biennium and none had been serious. Although he did not have records relating to sick leave to hand, he could report that the Committee kept in close contact with the staff physician to ensure that no absences were due to dangerous or unsatisfactory conditions at work.

The RAPPORTEUR read out the following draft resolution on the Biennial Report of the Occupational Health and Safety Committee (OHSC), 2010–2011 (GC/54/R9):

The Governing Council,

Having examined the Agency's Biennial Report on Occupational Health and Safety 2010–2011, as contained in Document GC/54/10,

1. THANKS the Scientific Council for reviewing the Biennial Report of the Occupational Health and Safety Committee, 2010–2011;
2. THANKS the outgoing Chairperson, Dr Robert Baan, for his work on this Committee;
3. EXPRESSES satisfaction with the arrangements which are in place to ensure the health and safety of the Agency's staff; and
4. REQUESTS the Director to continue reporting biennially on occupational health and safety issues at the Agency.

The draft resolution was **adopted**.

6. REPORT FROM THE SUBCOMMITTEE ON THE ADMISSION OF NEW PARTICIPATING STATES REGARDING THE CRITERIA FOR AND IMPLICATIONS OF ADMITTING NEW PARTICIPATING STATES (Document GC/54/15)

The VICE-CHAIRPERSON, speaking in his capacity as Chair of the Subcommittee on the Admission of New Participating States, said that the Subcommittee had drafted two resolutions, the first of which confirmed support for pursuing the admission of New Participating States; agreed on the development of a standardized application form; and set out the criteria for admission. The second resolution set out options for payment of contributions by new Participating States.

He introduced the first of two draft resolutions (GC/54/R17):

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.

He introduced a second draft resolution (GC/54/R18):

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) and decides to amend the Financial Regulations accordingly;

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 State¹, and decides to amend the Financial Regulations accordingly;

¹ Excluding Argentina and Brazil, in light of discussions with representatives of Argentina and Brazil that occurred before the present Resolution was adopted.

OR

4. DECIDES that for applications received after the Governing Council's 56th 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;

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

NB: If paragraphs 2, 3 or 4 are chosen, current Article 4.3 of the IARC Financial Regulations will need to be amended:

Present text:

4.3 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.

Amended text:

TO BE DRAFTED ACCORDINGLY

Dr SEGOVIA (Spain) said that he would replace the sentence from paragraph 4 of resolution GC/54/R17 which read "to assess whether "the State is able to contribute effectively to the scientific and technical work of the Agency"" with the less prescriptive words: "to assess what type of contribution the new Participating State is able to make".

Professor BAGGOLEY (Australia) said that there seemed to be little interest from countries wishing to join the Agency and the Director would therefore be required to undertake a sophisticated approach in his campaign to encourage new Participating States. He would be keen to learn more about the nature of the discussions held with interested countries. He wished to know whether the Agency faced additional costs as a result of admitting new Participating States. While the current

gradual increase in contributions seemed generous and potentially placed an increased burden on the Agency, given the challenge in attracting new Participating States, it might be unwise to put more obstacles in the way.

Dr KEINHORST (Germany) was supportive of encouraging the admission of new Participating States and agreed with the member for Spain that barriers for membership should not be too high. Consequently, she would prefer to re-word paragraph 4 of Resolution GC/54/R17 to make it clear that it did not contain a comprehensive list of conditions that needed to be fulfilled. With regard to Resolution GC/54/R18, she supported the proposal for a gradual increase in contributions as contained in either paragraph 2 or paragraph 4. She had difficulty with the reduction proposed in paragraph 6 since the result would be that existing Participating States might face an increase in voluntary contributions.

The CHAIRPERSON, speaking in his capacity as the member for Finland, supported the suggestion by Germany that it should be made clear that the list given in Resolution GC/54/R17 was intended as a guideline only.

Dr BAUER (Austria) agreed that the Agency should be open to new Participating States and endorsed the remarks by Germany and Spain that there should be more flexibility with regard to the criteria for admission although she supported the introduction of a standardized application form. With regard to Resolution GC/54/R18, she would prefer to adopt a combination of paragraphs 3 and 4.

Dr HARFORD (alternate to Dr Stevens, United States of America) said that the United States had always had reservations with regard to the option to pay a gradual increase in contributions: if countries wished to join then they should be willing to contribute straight away. Therefore he would prefer a more rapid move to full payment of monies due. Any gradual payment method adopted should be for low-income countries only and preferably over three years instead of four: that position might be achieved by combining paragraphs 3 and 4 of Resolution GC/54/R18. Any country that left and then applied to rejoin the Agency should not have the possibility to make a gradual increase in payments.

The CHAIRPERSON, speaking in his capacity as the member for Finland, said that some interesting and difficult decisions were before the Governing Council. The first question was to decide whether the Agency needed new Participating States and the second was to determine how the new Participating State would benefit from membership. As with any relationship between organizations, arrangements would have to be beneficial to both sides. The Director's report had highlighted that IARC was working successfully in a global capacity in the fight against cancer and noncommunicable diseases. It might be helpful to encourage participation from countries with which the Agency was already cooperating in order to cover the globe in a more inclusive manner; that participation might also encourage better links with the scientific community in different parts

of the world. The Agency would benefit from the intellectual, as well as the financial, contribution from new countries. However, it was less obvious how a new Participating State would benefit from membership of IARC in concrete terms although that perspective would need to be defined and marketed. In that context, he favoured the option for contributions set out in paragraph 4 of Resolution GC/54/R18.

The SECRETARY, responding to questions raised, said that, in setting out the advantages of joining IARC, he first presented the role of the Agency on a global scale: the argument that there was an altruistic element of contributing to a common financial pot to help in other areas of the world still held force. It was possible to demonstrate that extensive research was carried out in regions that still made no contribution to the Agency. It was important not to make promises to Participating States concerning specific benefits they would receive since it was the Governing Council that determined strategy. There was a cost involved in taking on new members since each Participating State had expectations in terms of response from the Agency, while the Agency had a relatively small group of 50 scientists funded on the regular budget who could respond to requests. It was important to attract new Participating States since cancer had become a global problem and increased representation would facilitate discussion of regional priorities. The flexibility of an increase in three steps, as set out in paragraph 4 of Resolution GC/54/R18, would provide a good compromise. Discussions had been held with Argentina, Brazil and Mexico on the possibility of joining. Israel had joined the Agency in 1966 and withdrawn in 1971.

Mr ALLEN (Director of Administration and Finance), referring to paragraph 6 of Resolution GC/54/R18, said that, according to the formula in use, when a new Participating State joined the Agency, no existing Participating State would have an increase and some would have a small reduction in their contributions as a result. Participating States that had a decrease in their contributions could be potentially encouraged to make the balance available to the Agency on a voluntary basis.

The VICE-CHAIRPERSON, speaking in his capacity as Chair of the Subcommittee on the Admission of New Participating States, said that new Participating States could be admitted provided that the majority of members considered that they would contribute to the technical work of the Agency. Therefore, the criteria would need to refer to cancer research activity that would allow the Subcommittee to assess new entrants although it would be understood that the criteria would be flexibly applied.

The CHAIRPERSON suggested that, in order to introduce an element of flexibility, the words "as appropriate" could be added after the list of criteria in paragraph 4 of Resolution GC/54/R17.

Dr HARFORD (alternate to Dr Stevens, United States of America) said that any Participating State that left the Agency and wished to return should not be included in the stepped approach to payment.

The CHAIRPERSON proposed that the Chair of the Subcommittee should redraft the resolutions for consideration on the following day, taking into account the request for more flexibility concerning the criteria set out in paragraph 4 of Resolution GC/54/R17. Concerning Resolution GC/54/R18, there appeared to be a preference for a stepped increase over three years as set out in paragraph 4. There had been some support for the stepped approach to apply to low- and middle-income countries only.

It was so **agreed**.

The meeting rose at 17:40.