

International Agency for Research on Cancer



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Fifty-fifth Session**

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IARC, Lyon

Thursday, 16 May 2013, at 13:40

Chairperson: Professor Pekka Puska (Finland)

Secretary: Dr Christopher P. Wild, Director, IARC

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Participating State Representatives

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Dr Mark PALMER, <i>Vice-Chairperson</i> Dr Rhoswyn WALKER	United Kingdom of Great Britain and Northern Ireland
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Professor Christopher BAGGOLEY	Australia
Dr Hemma BAUER	Austria
Mr Lieven DE RAEDT	Belgium
Dr Luiz Antonio SANTINI Dr Marisa Dreyer BREITENBACH	Brazil
Professor Herman AUTRUP	Denmark
Professor Agnès BUZYN	France
Dr Chariklia BALAS Dr Irene KEINHORST	Germany
Professor G.K. RATH (<i>unable to attend</i>)	India
Dr Susan O'REILLY	Ireland
<i>No Representative</i>	Italy
Dr Masato MUGITANI Dr Makiyo IWATA	Japan
Dr Jack HUTTEN Mr Jeroen HULLEMAN	Netherlands
Dr Edgar RIVEDAL Dr Henrietta BLANKSON	Norway
Dr FALEH Mohammed Hussain Ali	Qatar

Dr Sung Woong RA Dr Jeongseon KIM Dr Yeol KIM	Republic of Korea
Ms Lidia GABUNIYA	Russian Federation
Dr María José G. SUSO	Spain
Professor Mats ULFENDAHL (<i>unable to attend</i>) Dr Karin SCHMEKEL	Sweden
Dr Diane STEBER-BÜCHLI	Switzerland
Professor Murat TUNCER	Turkey
Dr Lisa STEVENS Ms Gabrielle LAMOURELLE Ms Mary Blanca RIOS Dr Jeff GLENN	United States of America

World Health Organization

Dr Oleg CHESTNOV, Assistant Director-General
Ms Joanne MCKEOUGH, Office of the Legal Counsel

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Union for International Cancer Control (UICC)

Mr Cary ADAMS, Executive Director

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1. PRESENTATION AND DISCUSSION OF THE INTERIM ANNUAL REPORT 2012 FOLLOWED BY DIRECTOR'S REPORT: Item 10 of the Agenda (Documents GC/55/2 and GC/55/3)

The SECRETARY, illustrating his remarks with slides, introduced the Interim Annual Report 2012 (Document GC/55/2), concentrating on the scientific work of the Agency.

The network of regional cancer registration hubs was gaining momentum, with the support of WHO, and was coordinated with the wider noncommunicable disease agenda. The Agency had established links with existing regional hubs in India and Africa, and new hubs were under development in Turkey and in Latin America, in collaboration with the Latin American Network of National Cancer Institutes (RINC).

In recent years, the Agency had begun to publish global cancer statistics in relation to the Human Development Index, which classified countries in terms of life expectancy, adult literacy and gross domestic product. Analysis in those terms showed that cancer was still most prevalent in very high-income countries, with a five-year cancer prevalence¹ of one person in 60 for the very high-income countries, compared with one person in 450 in low-income countries. Another analysis, published in *The Lancet* in 2012, showed that globally, in 2008, 168.1 million years of healthy life had been lost to cancer. The analysis showed that the burden of healthy life-years lost fell disproportionately on low-income countries, because the cancers typically contracted at an earlier age (e.g. liver, stomach, cervix) were more common in those countries and access to treatment was poorer.

Three IARC Monographs had been published since the previous session of the Governing Council: the most noticeable was Vol. 105 of the Monograph series, in which diesel and gasoline engine exhausts had been reclassified as carcinogenic to humans. The *WHO classification of tumours of the breast*, part of the "Blue Books" series, had been published in June 2012 and had already sold over 7000 copies. It had involved 90 contributors from 24 countries.

From the Agency's research into the causes of cancer, he cited a project on cancer of the thyroid gland following exposure to radiation arising from the 1986 Chernobyl nuclear accident. The research subjects were adults, namely "liquidators" involved in the immediate response to the accident. The research showed an increased risk of thyroid cancer which was, however, lower than in children or adolescents.

He gave brief details of a number of multicentre studies in which the Agency was involved, including the ARCAGE study, which had established a connection between the presence of an antibody to a protein in the human papillomavirus (HPV) and the subsequent development of cancer of the upper aerodigestive tract.

A 24-hour dietary recall tool, EPIC-Soft, originally developed for the European Prospective Investigation into Cancer and Nutrition (EPIC) study, had been taken over by researchers in other medical disciplines as a standard dietary monitoring tool. It was hoped that it would soon be in use in Latin America and the Republic of Korea as well as in Europe. In another research project, biomarkers of dietary exposure had been identified using metabolomics.

¹ Five-year cancer prevalence is the number of people diagnosed with cancer in the previous five years who are still alive, thus providing information about both cancer incidence and survival.

The IARC *TP53* database,² made up of information from the scientific literature about mutations of the *TP53* tumour-suppressing gene, had been updated with more efficient data-mining tools and an improved graphical output. It had been cited in 3500 scientific articles, and had recorded over 600 downloads per month.

The long-running Trivandrum Oral Cancer Screening Study in India had now screened individuals in the high-risk group of tobacco and alcohol users up to four times for signs of oral cancer. Mortality among those individuals who had undergone three or four rounds of screening had been found to be 50–80% lower.

Another study in India, investigating the efficacy of two doses of HPV vaccine in the prevention of cervical cancer versus the currently recommended three doses, had shown that the results for the two-dose regime were not inferior in terms of antibody response. The data obtained were still preliminary in nature, particularly since it had not been possible, for reasons beyond the Agency's control, to carry out all the vaccinations as planned, but the results were promising.

Dr SANKARANARAYANAN (Head, Screening Group), replying to a question from Professor TUNCER (Turkey), said that, at present, there were no data to show the threshold of antibody response which corresponded to effective clinical protection from HPV. Data from Costa Rica indicated that even a single dose might be sufficient, but much more investigation was required.

The SECRETARY, illustrating his remarks with slides, introduced his Director's report (GC/55/3), dealing with administrative matters. He welcomed Brazil and Qatar as Participating States of the Agency, and noted that negotiations for the admission of Mexico were at an advanced stage. He was keen to forge links with cancer specialists, especially in the southern hemisphere, in areas such as screening and cancer registration. The Agency had also strengthened its collaboration with the Chulabhorn Research Institute in Thailand through the signing of a memorandum of understanding in April 2013 during a visit by HRH Princess Chulabhorn Mahidol.

The Agency had collaborated with WHO in the preparation of the draft action plan and global monitoring framework for the prevention and control of noncommunicable diseases 2013–2020. An annual meeting would be held with WHO Assistant Directors-General to discuss policy priorities, coordination and strategic planning. Dr Silvia Franceschi of the Infections and Cancer Epidemiology Group had taken on the role of Special Adviser on Noncommunicable Diseases.

He gave details of a number of keynote lectures by leading international cancer specialists. The speakers at IARC Day, held in October 2012, had been Professor John Potter and Professor Walter Willett, speaking on nutrition and cancer. The first IARC Cancer and Society Lecture had taken place in June 2012, with Dr David Michaels of the United States Department of Labor, Occupational Safety and Health Administration speaking on attempts by commercial entities to discredit scientific data. The second lecture would take place on World Cancer Day, 4 February 2014, and would be delivered by Professor Sir Michael Marmot, speaking on the links between social inequalities and cancer.

² <http://p53.iarc.fr/>

Turning to the Agency's publications record, he said that, in respect of its normalized impact,³ the Agency had been ranked 50th worldwide, i.e. in the top 1.5%, and fifth among specialized cancer research institutions. In terms of the publications most frequently cited in a particular field, it had been ranked 34th overall and third among specialized cancer research institutions. In terms of international collaboration, i.e. papers produced in collaboration with institutions in other countries, it had been ranked eighth and first, respectively. Agency staff published 300–350 scientific articles per year, mainly in the fields of oncology and public and environmental health. Around 65% of them were published in the top 20% of journals in the category concerned.

The WHO Classification of Tumours series accounted for around 95% of total publications sales and a corresponding proportion of sales revenue. Publications in the pipeline included the *World cancer report 2014* and a book to mark the Agency's 50th anniversary in 2015, and potentially linked to a major scientific conference in that year.

Approximately 300 000 individual visitors accessed the Agency's web site every year. The most popular pages were those dealing with the Monograph series and the Globocan database. The impact of Agency press releases had also been measured, with the most popular subjects including Vol. 105 of the Monograph series on diesel exhaust emissions and the *World cancer fact sheet*.

He gave details of the extrabudgetary funding available to the Agency, classified by the total value of signed contracts, which had decreased slightly; the proportion of the value of those contracts attributed to the Agency, which had remained constant; and the Agency's expenditure of extrabudgetary resources. In 2012, extrabudgetary funding for research had amounted to approximately €12 million (38% of total expenditure on research), compared with a regular budget of €20 million. The level of extrabudgetary funding obtained was commendable in view of the keen competition for such funding among research institutions.

Turning to senior scientific appointments, he said that Dr Dana Loomis had joined the Agency as Deputy Head of the Section of IARC Monographs. Dr Jiri Zavadil had been appointed Head of the Molecular Mechanisms and Biomarkers Group. Dr Silvia Franceschi had taken on the role of Special Adviser on Noncommunicable Diseases, while her former post as Head of the Infections Section had been taken over by Dr Massimo Tommasino.

Nineteen IARC Fellowships had been awarded in 2012, 11 of them to Fellows from low- and middle-income countries. The European Union's Marie Curie Actions programme had allocated €1.4 million to support Agency Fellowships over the next five years.

A number of measures existed to promote communication among Agency staff, including the monthly Director's News, a "town hall" meeting and the activities of the Staff Association Committee. Two awards had been made under the IARC Recognition Programme, to Eve El Akroud for her contribution to the Fellowship programme and to Lucile Alteyrac, Catherine Voegele, Brigitte Chapot and Nivonirina Robinot for their development of an open-source electronic laboratory notebook. Following a learning needs survey among staff, a learning plan had been drawn up for 2013, including a leadership training programme for team leaders.

³ Normalized impact: an estimate of the scientific impact of an institution, adjusted to remove the influence of its size and research area.

Substantial savings had been made in contracts for services and supplies, including the supply of liquid nitrogen and gas bottles, security, cleaning and an integrated printer/copier/scanning service. The proposed budget for administrative and non-staff costs for 2014–2015 had thus been reduced by over €300 000. Work had been done on the Agency's buildings during the year, including refurbishment of laboratories, the installation of additional freezers to extend the Biobank and a new liquid nitrogen tank. Emergency repairs had also been necessary owing to the dilapidated state of the buildings, including the heating system in the Latarjet building and the repair of water leaks in the Tower. He was grateful to the City of Lyon, the owner of the Tower, for taking responsibility for those repairs.

The Agency was involved in a number of key international partnerships, notably with the Union for International Cancer Control (UICC), which was responsible for fundraising for the Global Initiative for Cancer Registry Development in Low- and Middle-Income Countries (GICR). A joint UICC-IARC Fellowship in cancer epidemiology had been set up for promising students who had attended the annual IARC Summer School. Collaboration with the International Atomic Energy Agency (IAEA) was also progressing well.

Replying to a question from Professor AUTRUP (Denmark), he said that no statistics were collected about the impact factor of individual Sections and Groups, since some aspects of the Agency's work were much more likely to be covered in high-impact journals than others. However, aspects of individual Section or Group performance were evaluated, such as success in obtaining competitive research grants.

Mr ADAMS (Union for International Cancer Control – UICC), speaking at the invitation of the CHAIRPERSON, commended the Agency and WHO for their support for the GICR, which would form a solid base of reliable data from cancer registries to sustain research for many years to come. Cancer incidence was one of the indicators in the WHO Global Monitoring Framework for Noncommunicable Diseases, due to be adopted by the World Health Assembly the following week, on which Member States would need to report within two years. He urged Participating States to consider contributing to the GICR on a bilateral basis, particularly in respect of the promotion of cancer registries in Africa, where coverage at present was only 1%.

Dr IWATA (Japan) welcomed the priority given by the Director to the education and training of young researchers in both developed and developing countries. Her own country had adopted a 10-year policy intended to foster scientific knowledge and innovation and encourage economic growth, which included investment in technology and human resources in the life sciences. She hoped that the Agency would support the work of young Japanese researchers and help them develop their work on an international level. She also welcomed the Agency's close relationship with WHO, including the annual high-level strategic planning meetings and the appointment of Dr Franceschi as Special Adviser on Noncommunicable Diseases.

The SECRETARY said that he had discussed possible ways of attracting young Japanese researchers to the Agency during a visit to the Japan Society for the Promotion of Science, a major research funding agency in the country.

Professor BAGGOLEY (Australia) said that, in his country, HPV vaccination was now offered to all boys of school age, as well as to girls. The vaccination take-up rate among girls was 80%. A member of the Agency's staff, Graham Byrnes, was the coauthor of an article⁴ due to appear in the British Medical Journal the following week, on cancer risk in a cohort of 680 000 Australian children and adolescents following exposure to low-dose ionizing radiation from diagnostic computed tomography (CT) scans. The study showed, after 10 years of follow-up, that the subjects had a 24% greater risk of developing cancer, with the risk being higher for younger subjects. In other words, for every 1000 CT scans, one subject was likely to develop cancer.

Dr STEVENS (United States of America) commended the Agency on its achievements, especially the Globocan database and indicators of cancer prevalence and disability-adjusted life-years. It had an excellent record of publications, including the Monographs, and articles in high-impact journals, and the web site had been made more accessible for mobile platforms. The Agency had developed a sound collaborative relationship with WHO on the noncommunicable disease agenda and with UICC. She would like to see more quantitative performance indicators showing the quality of research output and international collaboration to assist the evaluation of key institutional objectives and strategic directions.

The SECRETARY undertook to bear those suggestions in mind in the preparation of the next Medium-Term Strategy.

Replying to a point raised by Dr PARK (Canada), Rapporteur, Dr FRANCESCHI (Special Adviser on Noncommunicable Diseases) said that the Agency supported a number of WHO initiatives on vaccine pricing, particularly through the GAVI Alliance. The price of vaccines for low-resource, GAVI-eligible countries had recently been reduced to US\$ 4.5 per dose, although it was hoped that, eventually, a full three-dose course might be made available at that price. There were also initiatives at the level of the WHO regions to reduce vaccine prices for medium-resource developing countries to US\$ 10–20 per dose, and other initiatives to provide further support for countries which had introduced successful vaccination programmes, like Bhutan and Rwanda.

Replying to a point raised by the CHAIRPERSON, the SECRETARY said that the Agency had attracted criticism for its participation in a study of the health effects of exposure to chrysotile asbestos in Asbest, Russian Federation. He considered the study in question to have great scientific potential: it was a retrospective cohort study of some 30 000 asbestos workers in

⁴ <http://www.bmj.com/content/346/bmj.f2360>

mines and mills, the largest group of such workers ever studied. A sample of that size, followed up over 50 years and with a large volume of dust-measurement data available, would allow investigation not only of mesothelioma, but of other, less common types of cancer which might be associated with asbestos exposure. In particular, since the cohort included a relatively large number of women, it would enable the researchers to study the possible links with ovarian cancer. However, the issue was politically sensitive, since advocacy groups believed that the Agency's association with the project might serve to legitimize the use of chrysotile asbestos and jeopardize the campaign to ban its use altogether. He had appointed an independent scientific advisory board to oversee the Agency's work on the project, and the IARC Ethics Committee had it under regular review. He had issued a joint statement⁵ with the WHO Director-General, Dr Chan, in response to an article on the issue which had appeared in the medical journal *The Lancet*. He believed that the Agency was one of the few institutions which could carry out an independent research project in such a highly controversial area.

The RAPPORTEUR read out the following draft resolution on the Interim Annual Report 2012 (GC/55/R4):

The Governing Council,
Having reviewed the IARC Interim Annual Report for 2012 (Document GC/55/2),

1. EXPRESSES its satisfaction with the work accomplished; and
2. COMMENDS the Director and his staff on the Interim Annual Report 2012.

The draft resolution was **adopted**.

The RAPPORTEUR read out the following draft resolution on the Director's Report (GC/55/R5):

The Governing Council,
Having reviewed the Director's Report (Document GC/55/3),

1. THANKS the Director for the Report and for the standard set of data at the end of his Report;
2. REQUESTS the Director to continue this standard reporting on an annual basis; and
3. EXPRESSES its satisfaction with the Director's written and oral Reports.

The draft resolution was **adopted**.

⁵ http://www.iarc.fr/fr/media-centre/iarcnews/pdf/WHO-IARC_Statement.pdf, accessed 22 June 2013.

2. REPORT OF THE SCIENTIFIC COUNCIL ON ITS FORTY-NINTH SESSION – INCLUDING FEEDBACK ON CONDUCTING REVIEWS IMMEDIATELY BEFORE THE SCIENTIFIC COUNCIL AND SUGGESTED DIRECTIONS FOR THE EDUCATION AND TRAINING GROUP (ETR): Item 11 of the Agenda (Documents GC/55/4 and GC/55/4 Add.1)

DIRECTOR'S RESPONSE TO RECOMMENDATIONS FROM THE 49TH SESSION OF THE SCIENTIFIC COUNCIL: Item 12 of the Agenda (Document GC/55/5)

Professor MELBYE (Chair, Scientific Council) introduced the Council's report on its Forty-ninth session, held on 30 January–1 February 2013 (Documents GC/55/4 and GC/55/4 Add.1). The Council had reviewed the work of two Sections, with the reviews taking place immediately before the full Council meeting – a useful practice which it felt should be continued. It had listened to presentations on the scientific work of the Sections not undergoing review. It had commended the high quality of the Agency's work, particularly the creation of a web-based system for the presentation of cancer monitoring data. The Agency would have a significant role to play in monitoring the progress of WHO's declared aim of reducing premature deaths due to noncommunicable diseases by 25% by 2025. The proposed regional cancer registration hubs would expand the amount of data available from various countries, although there was still a shortage of data from Africa and Asia. The Agency might also consider monitoring causes of death other than cancer.

The Scientific Council had reviewed the work of the Section of Early Detection and Prevention, finding it to be of outstanding scientific quality and a perfect fit with the Agency's research priorities. The Council had noted that two senior staff, including the head of the Section, Dr Sankaranarayanan, were due to retire shortly, and had advised that due attention should be paid to succession planning. The Council had reviewed the work of the Section of Nutrition and Metabolism, which it had likewise found to be outstanding in quality and a perfect fit with the Agency's research priorities. It had discussed the future direction of the Education and Training Group, and expressed itself satisfied with the detailed programme of current and future activities presented by the staff. The proposed web-based seminars would provide a useful outreach facility for scientists in low- and middle-income countries, as well as for training within the Agency itself. The Council had recommended the creation of a junior career scientists' association to facilitate professional networking among junior scientists from different Sections, and had asked to be updated on the work of the Group every two years.

He drew attention to a proposed new scoring system for the reviews, described in Document GC/55/4 Add.1. The new system had six grades (outstanding, forefront, competitive, not competitive, unsatisfactory and preliminary, the last to be used for cases where work was at too early a stage to be assessed), intended to allow for a more nuanced review than the current four. It would also be possible to give a combined grade, e.g. forefront/competitive.

The Council had discussed the future of the IARC Biobank. Most samples in the Biobank at present had been obtained as part of the European Prospective Investigation into Cancer and Nutrition (EPIC) study, but the Council had warmly welcomed the proposal to expand it into a high-quality resource including samples from low- and middle-income countries, suggesting that the Agency should contact governments to assess their level of interest in the project. It had felt that the space allocated to the Biobank in the plans for the new Agency building might not be

large enough, and that consideration should be given to the possibility of a separate building on the same site. In any case, a short-term plan for the accommodation of the Biobank would be needed until the Agency's future plans had been settled.

The SECRETARY, responding to the points raised in the Scientific Council's report (see also his written response in Document GC/55/5), thanked the members of the Council on behalf of himself and his staff for giving up their valuable time to visit the Agency. He was gratified by the Council's praise for the restructuring of the Education and Training Group. The junior career scientists' association recommended by the Council would be set up soon, and he would investigate further ways of mentoring and supporting that important group of staff. The Agency would provide technical advice for low-income countries which wished to set up their own biobanks, even if they were not able to implement the strictest quality protocols straight away. A situation analysis had been carried out in a number of low-income African countries, and a meeting was scheduled for later in the year. The expansion of the Biobank would require the Agency to identify partners and sources of funding: he had established links with existing biobank networks and with the United States National Cancer Institute to that end. He commended the two research Sections on the excellent outcome of their reviews, and welcomed the proposed new scoring system. Discussions were under way about the future direction of the Section on Early Detection and Prevention, which was becoming increasingly important with the recent interest in implementation research.

Dr PALMER (United Kingdom of Great Britain and Northern Ireland), Vice-Chairperson, said that it had worked well to hold the reviews immediately prior to the Scientific Council meeting. The new scoring system seemed to be a useful development, but it should be used for two years on a trial basis, to see how successful it was in practice. He asked for the full text of the section reviews to be made available to the Governing Council.

The SECRETARY said that the reviews were not made available on the Agency's public web site, as they sometimes made reference to an individual staff member's performance. However, they could be made available, upon request, to Governing Council members on a password-protected part of the site.

Professor MELBYE (Chair, Scientific Council), replying to a point raised by Mr DE RAEDT (Belgium), said that the grade "outstanding" was not awarded lightly, but referred to truly exceptional performance. Part of the purpose of the new grading system was that combined grades could be awarded where necessary, to reflect achievement in different areas of a Section's work.

Dr STEVENS (United States of America) welcomed the new scoring system but agreed that its effects should be carefully monitored. She agreed with the Scientific Council's conclusion that links should be established between the cancer registration hubs to make the greatest possible use of their joint expertise. Increased national capacity in monitoring and surveillance would be critical to the achievement of the voluntary global targets on noncommunicable disease control which WHO Member States were expected to adopt at the forthcoming Health Assembly. She asked for more details of the Agency's expertise in pathology, which would also be important for the development of cancer registries worldwide.

She supported the work of the Education and Training Group, especially the web-based training system. Agency mentors should maintain links with IARC Fellows and continue to support them when they returned to their home institutions. The Agency had a valuable role to play in monitoring the progress of the WHO action plan, potentially by collecting data on causes of death other than cancer and on the nutritional transition. She welcomed the positive outcome of the review of the Section on Early Detection and Prevention. The Section should concentrate on implementation science, especially in low-resource settings. Additional expertise in policy research, behavioural science and health economics would be required.

The RAPPORTEUR read out the following draft resolution, entitled "Report of the Scientific Council (1) – timing of reviews" (GC/55/R6):

The Governing Council,

Having reviewed the Report presented by the Forty-ninth Scientific Council (Document GC/55/4), its Addendum (Document GC/55/4 Add.1) and the Director's response (Document GC/55/5),

Recalling its Resolution GC/53/R5 requesting the review in 2013 of carrying out peer reviews immediately preceding Scientific Council sessions,

Noting the recommendation from the Scientific Council (Document GC/55/4) following the experience drawn from two consecutive sessions,

1. NOTES the Report and its Addendum with great interest;
2. APPROVES that such peer reviews be conducted immediately preceding Scientific Council sessions;
3. CONGRATULATES the members of the Scientific Council for their supportive and excellent work; and
4. COMMENDS the Director for his constructive responses to the recommendations of the Forty-ninth Session of the Scientific Council.

The draft resolution was **adopted**.

The RAPPORTEUR read out the following draft resolution, entitled "Report of the Scientific Council (2) – new scoring system for reviews" (GC/55/R7):

The Governing Council,

Having reviewed the Report presented by the Forty-ninth Scientific Council (Document GC/55/4) and its Addendum (Document GC/55/4 Add.1),

APPROVES the new scoring system to be used for peer reviews, as detailed in Document GC/55/4 Add.1 and as follows:

"It is essential that in determining their scores for a particular piece of work, reviewers consider the narrative description given for each score.

As the score should reflect the complete portfolio of research from a Group or Section then the peer-review committee may choose a combination of categories to reflect heterogeneity within a Group or Section e.g. F/C.

In selecting a score the reviewers should take account of the role of IARC's research in the context of its mission, including conducting work in low- and middle-income countries and research which is difficult for national institutes or centres to perform.

O (Outstanding)	Outstanding work of the highest international calibre, pioneering and trend-setting. This score will only be applied to exceptional programmes of work, not because a programme was particularly topical or in an under-researched area.
F (Forefront)	Work that is at the forefront internationally and that, it is considered, will have an important and substantial impact.
C (Competitive)	Work that is internationally competitive, of high quality, and will make a significant contribution.
NC (Not competitive)	Work that is not considered competitive or high quality and is unlikely to make a significant contribution.
U (Unsatisfactory)	Unsatisfactory or poor quality work.
P (Preliminary)	Work that is too preliminary to rate, which should be continued and monitored /reassessed by the Director in the short- to medium-term with subsequent update for the Scientific Council."

Dr PALMER (United Kingdom of Great Britain and Northern Ireland), Vice-Chairperson, suggested the addition of a second paragraph, to read: "REQUESTS the Scientific Council to report to the Governing Council at its 57th session on its assessment of the utility of the new scoring system".

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

The RAPPORTEUR read out the following draft resolution, entitled "Report of the Scientific Council (3) – future directions for the Education and Training Group (ETR)" (GC/55/R8):

The Governing Council,

Having considered the Report from the Forty-ninth Scientific Council (Document GC/55/4) regarding the future directions for the Education and Training Group (ETR) as presented to the Scientific Council in Document SC/49/7,

1. NOTES with satisfaction that the Scientific Council is pleased with the overall new direction of the ETR activities and initiatives; and
2. REQUESTS that a Biennial Report on ETR activities be provided to the Scientific Council starting in 2015.

The draft resolution was **adopted**.

3. ANNUAL FINANCIAL REPORT, REPORT OF THE EXTERNAL AUDITOR AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012: Item 13 of the Agenda (Document GC/55/6)

Ms SANTHIPRECHACHIT (Administration and Finance Officer), illustrating her remarks with slides, highlighted three key areas of Document GC/55/6: the change in accounting policy; the report of the external auditor; and the financial position of the Agency at the end of the reporting period.

In 2012 there had been a change from a modified-cash basis of accounting under the United Nations System Accounting Standards (UNSAS) to a full accrual basis of accounting in accordance with International Public Sector Accounting Standards (IPSAS). It was also the first time that IARC's financial statements had been prepared on an annual basis in accordance with Article VI of the amended IARC Financial Regulations.

As required by IPSAS, a set of five financial statements had been prepared, including a new Statement V, which presented a comparison of budget with actual expenditure and a reconciliation of expenditure on a cash basis versus an accrual basis. The remuneration and benefits of key management personnel were disclosed in the notes to the financial statements. Four schedules provided supplementary financial information.

The full implementation of IPSAS from 1 January 2012 had brought higher standards of financial reporting, consistency and comparability with other United Nations organizations. In order to align existing accounting records with the new accounting standards, several adjustments had been made. Accordingly, the last audited Statement of Financial Position as at 31 December 2011, which had been prepared under UNSAS, had been restated in order to reflect the net impact from all adjustments as a decrease in the net asset/equity of €21 million. Revenue from designated voluntary contributions had increased equity by €2.8 million although that had been offset by the liabilities related to employee benefits. More details of adjustments relating to the restated financial statement could be found in Schedule 4, note 4, notes to the Financial Statement Part III (Opening balance adjustments).

The funding gap resulting from recognition of employee benefit liabilities had slightly increased from €23.88 million to €24.1 million at the end of 2012 and related largely to post-employment benefits on after service health insurance (ASHI). The Agency was following a progressive plan adopted by the World Health Organization which would see the gap close by 2042, thus minimizing the financial burden on Participating States.

IPSAS implementation had no impact on the preparation of the budget, which would continue to be presented on a cash basis.

The external audit had been carried out by the new audit team from the Philippines and had established that the financial statements presented fairly, in all material respects, the financial position of the Agency as at 31 December 2012. The auditors had provided six useful recommendations: to document the benefits of implementing IPSAS; to improve the asset management system; to address the funding gap of ASHI liability; to enhance SAP functionalities and seek funding for implementing them; to formalize Enterprise Risk Management (ERM) and to seek financial assistance for its implementation. The Auditor had acknowledged the good practices that had already been implemented by the Agency and recommended the implementation of structured ERM. The Agency had prioritized the recommendations and would request financial support to implement some of them during the present session of the Governing Council.

The total regular budget for the 2012–2013 biennium had been approved at €39.4 million: €19.5 million for 2012 and €19.9 million for 2013. With regard to the 2012 approved budget, €500 000 would be funded from the Governing Council Special Fund and €19 million from assessments from Participating States, of which 96.7% had been collected in 2012. Additional contributions received in 2013 had brought the collection of 2012 contributions to 99.97%. In 2013, 46.07% of assessed contributions had been received to-date: nine Participating States had paid in full and two had paid 50%. Planned activities for 2012 had progressed well and 89.3% of the approved budget had been utilized. The committed balance from 2012 had been carried over to 2013 for planned activities to be carried out in the second year of the biennium. The change of functional currency to the Euro had significantly reduced foreign exchange rate exposure for the Agency. Only €77 000 of the €1 million approved by the Governing Council for the biennium had been used in 2012 to cover unforeseen budget costs due to currency realignments.

In 2011 the Governing Council had approved the temporary transfer of €1.6 million from the Governing Council Special Fund to the Working Capital Fund in order to fund arrears of assessed contributions. The money had been returned upon receipt of two instalments from Spain in 2012 and 2013. The Working Capital Fund had been used to temporarily finance the regular budget, pending receipt of assessed contributions from Participating States in 2011 and 2012. The Working Capital Fund balance at the year-end was €2.47 million. The Governing Council Special Fund remained stable with a closing balance of €7.3 million, including approved allocations that had not been spent. The balance of the Voluntary Contributions Account stood at €11.63 million in 2012 and the Agency expected to receive a further €7.64 million as a result of grants and contribution agreements that had already been signed. Revenue under the Special Account for Programme Support Costs was collected from designated voluntary contributions at the standard rate of 13%; the balance stood at €1.675 million at the year-end. The total of unfunded

liabilities, including long-term employee benefits, stood at €24.065 million. The effect of unfunded liabilities arising from the reporting of employee benefits under IPSAS had been experienced across the United Nations system.

The CHAIRPERSON asked whether any problems had been encountered in the move to IPSAS, since the process appeared to have been successfully completed.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) said that implementation of IPSAS had been challenging since it had been accomplished by existing staff on top of their normal workload.

Ms RIOS (United States of America) commended IARC for its timely implementation of IPSAS within existing resources. She concurred that ASHI had been identified as a problem throughout the United Nations system and IARC's liabilities in that respect were much lower than those of other organizations. She agreed with the progressive approach adopted by IARC and WHO to resolve the issue.

Dr BAUER (Austria) supported the approach implemented in respect of ASHI and asked how the increase in employer and employee costs would be reflected in future budgets.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) said that ASHI was managed by WHO through a separate legal entity to which the Agency made a monthly contribution; a payroll deduction would gradually fund the gap.

Ms HERNANDEZ (Canada) congratulated IARC for its successful implementation of IPSAS and for having obtained an unqualified report from the External Auditor. She requested that future reports should contain an update on implementation of previous audit recommendations. She asked whether improvement of the asset management system was affected by the procurement problems present within WHO.

Mr ALLEN (Director of Administration and Finance) said that no recommendations concerning the 2011 financial statements had been received from the External Auditor and that recommendations arising from a WHO internal audit had been completed some two years previously. Procurement was not an issue for the Agency since it did not have country offices; nevertheless, tracking processes had been strengthened and transparency improved. Asset management was accomplished through three different systems since the SAP implementation included modules that allowed the Agency to record but not to manage assets in full cycle. The status of the present audit recommendations would be reported on in 2014.

The RAPPORTEUR read out the following draft resolution on the Annual Financial Report, Report of the External Auditor and Audited Financial Statements for the year ended 31 December 2012 (GC/55/R9):

The Governing Council,

Having examined Document GC/55/6 "Annual Financial Report, Report of the External Auditor and Audited Financial Statements for the year ended 31 December 2012",

1. THANKS the External Auditor for her Report and opinion;
2. NOTES with satisfaction the Agency's successful implementation of the International Public Sector Accounting Standard (IPSAS) on time and in full compliance, as confirmed by the External Auditor; and
3. APPROVES the report of the Director on the financial operations of the Agency.

The draft resolution was **adopted**.

4. PROPOSED PROGRAMME (2014–2017) AND BUDGET (2014–2015): Item 14 of the Agenda (Document GC/55/7 Rev.1)

Mr ALLEN (Director of Administration and Finance), illustrating his remarks with slides, said that Document GC/55/7 Rev.1 contained full details of the scientific strategy and the scientific and administrative programme proposed for 2014–2015. His presentation would cover the budget for the period and how the figures had been derived, proposals on modalities for funding and changes in the scale of assessments.

The budget was planned in three stages: the Director provided indicative figures on distribution of resources to each Group or Section within the Agency; Section Heads were given the opportunity to present their projects to the Director and to defend them against the figures proposed; and the overall programme and budget proposal was then considered and endorsed by the Senior Leadership Team. The Scientific Council reviewed the merits of the programmes and reported on them to the Governing Council.

The budget was submitted to the Council in accordance with the Agency's Statute. The most important of the basic principles that had been prioritized in preparing the budget had been to ensure continuity of the scientific programme and IARC's ability to deliver on its commitment to maintain staff capacity and to have no further decreases in the non-staff budget. The overarching principle was to devote maximum resources for scientific activities while ensuring transparency and reflecting real costs. The Agency was aware of the financial pressures on Participating States and it had therefore prepared a budget that was as conservative as possible.

The proposed regular budget of €41.2 million for 2014–2015 was designed to capture the ongoing and core activities of the Agency which were supported by the Scientific Council. The three appropriation sections covered the costs of governing body meetings, the nine scientific programme areas and administrative costs. Available extra-budgetary resources of €12.73 million would allow for better planning of activities.

There had been a change in the budget presentation with the transfer of €1.8 million from the administrative programme to the scientific programme which, with the cuts in the administrative budget, combined to a 5.8% increase in share of the overall regular budget allocation to the scientific programme. The costs being moved were the running costs of the Agency directly attributable to scientific activities and no staff costs were included. The change would provide a more correct reflection of the costs of the different elements of the Agency's activities. The vast majority of the regular budget had been allocated to the scientific programme. The non-staff budget had decreased as a percentage of the overall budget and no posts had been added. Statutory staff cost increases, over which the Agency had no control, had been estimated in line with historical information. While the Agency had been as conservative as possible, it recognized that the proposed budget represented a €1.8 million increase over the previous biennium. The increase would be offset by the Governing Council Special Fund, the assessed contribution from Turkey and a proposed increase in assessed contributions of 1.98% from Participating States; a figure that was below European inflation rates. The overall proposed budget increase of 4.55% was needed to sustain core staff capacity and programme activities and the financing option had been chosen in order to minimize the impact on Participating States.

The impact of the proposed 1.98% increase would represent an increase of between €7000 and €42 000 per year in assessed contributions for individual Participating States. While the revised budget level had no impact on the overall budget level proposed, the revised United Nations scale of assessments adopted by WHO, which was beyond the control of the Agency, had resulted in a change in group classification for four IARC Participating States: Australia, Germany, the Republic of Korea and the Russian Federation. Although the relative impact of the changes for WHO Member States was small, the same was not true of Participating States within IARC because of its method of calculating assessed contributions. The change in the group classification for the four countries would lead to the redistribution of €558 819 across all of the remaining Participating States except Ireland. Information concerning group classification of countries could be found in Information Table D in the annexes to Document GC/55/7 Rev.1.

The draft resolution before the Council requested endorsement of the budget, the proposed financing option from the Governing Council Special Fund and adoption of the revised scale of assessments. The resolution also requested a reduced provision for budgetary costs as a result of currency realignments. The second standard clause allowed the Director to transfer budget across sections as required, within the limit of 15% of the section concerned, as in previous biennia.

Dr HUTTEN (Netherlands) said that he was concerned that an increase in the budget had been proposed at a time when his country faced economic constraints. Public opinion in the Netherlands did not support an increase in payments to international organizations at a time of internal budget cuts. He requested that the Agency should take that view into account in future programme and budget planning.

Mr DE RAEDT (Belgium) thanked IARC for its timely distribution of the budget documents. In assessing the 3% increase proposed for Belgium, his country had looked at IARC's vision and future plans, including the new building, and had examined the model it had used since its founding by a group of industrialized nations in the 1970s as an Agency that would research the origins of cancer, genetic mutation and the impact of environmental factors. The model had worked well but there had been changes since the Agency's inception: membership had widened to include the emerging economies, although it was unclear whether IARC was slowly evolving into a global health agency or whether it was the agency of the 1970s with additional members. Further questions arose as to IARC's role as a coordinator of global research on cancer and the appropriate response to the growing understanding of the causes of noncommunicable diseases and that cancer was not a standalone disease. It was obvious that IARC was very productive, but further strategic thinking by the Governing Council was required on the Agency's future, its budget and the new building. Belgium also supported the view that there should be a zero nominal growth increase.

Dr KEINHORST (Germany) supported the position that there should be a zero nominal growth budget although she acknowledged that the changes in the United Nations scale of assessments had resulted in the Agency facing a sudden deficit of some €560 000. Since it was a situation that might reoccur, she proposed that the Agency should re-establish a working group in order to deal with the scale of assessments and to ensure that they were accessible for Participating States and more predictable for IARC.

Ms RIOS (United States of America) appreciated the increased transparency provided in the integrated budget. She, too, supported a zero nominal growth approach. She understood the explanations provided in respect of non-staff costs but queried the increase in the Director's development budget, which could perhaps be funded through voluntary contributions. She agreed with the representative of Germany that a working group should be convened to study the scale of assessments, including the impact of new members.

Dr PALMER (United Kingdom of Great Britain and Northern Ireland), Vice-Chairperson, speaking as a representative of his country, said that the United Kingdom had examined the Agency's programme and budget and had concluded that IARC was becoming increasingly relevant; its work was uniquely positioned since it accomplished collaboratively what it would be difficult for each Participating State to achieve alone. All of the budgets proposed by the present Director had been flat with the exception of increases imposed from outside the Agency. At a time when Member States were suffering financial hardship it was felt unreasonable that the United Nations had imposed an increase in the scale of assessments but the Director and staff of IARC had done everything they could in order to minimize its impact. The transition might have been smoothed had WHO introduced the changes over a two-year period. The United Kingdom supported the work accomplished by the Director and therefore agreed to the budget as presented.

Dr MUGITANI (Japan) said that he welcomed the proposal by the representative of Germany to set up a working group on the scale of assessments. It did not seem logical that the assessment for Germany had been decreased.

Ms HERNANDEZ (Canada) recommended the adoption of a budget without any increases. At a time when national governments were experiencing financial difficulties it was important to exercise restraint in defining priorities and to adopt a realistic approach concerning the availability and allocation of resources. She encouraged IARC to find operational efficiencies that would remove the need for an increase in contributions from Participating States. Canada was concerned that the Governing Council Special Fund was being used to fund cuts in the regular budget since it had been set up in order to fund special projects. With reference to the remarks by the representative of Belgium, she recalled that Canada had already recommended that consideration should be given to ways in which the Agency would work in future in the context of the discussion on the proposed new building.

Dr STEBER-BÜCHLI (Switzerland) said that while the proposed increase in contributions was unfortunate it had been made clear that the matter was out of IARC's hands. Therefore, while Switzerland was conscious of the signal that might be given to other organizations, it accepted the increase.

Professor BAGGOLEY (Australia) said that although there had been an increase of 18% in Australia's contribution it nevertheless welcomed IARC's programme and the accompanying budget, which were based on effective networks and partnerships. He supported the remarks of the representative of the United Kingdom on the usefulness of collaboration. He was mindful that the limited resources gave rise to a need to prioritize and he recommended that focus should continue within IARC's six scientific areas, in line with advice received from the Scientific Council, in order to maintain the Agency's lead role.

Dr BAUER (Austria) echoed the views of the representative of Switzerland with respect to the budget and supported the remarks of the representative of the United Kingdom with respect to the increases imposed by the United Nations, which WHO had introduced over a short time frame. It was the policy of Austria to support a budget with zero nominal growth but under the present circumstances it would support the proposed budget increase.

Professor BUZYN (France) asked whether IARC was confident that it could obtain external resources given that it was likely that budget restrictions within Participating States would include a decrease in funds allocated to cancer research. She had not been authorized to approve the budget since the Ministries concerned had not had time to review it in detail, having devoted their time to review the Nouveau Centre budget, and therefore she would be obliged to abstain.

The CHAIRPERSON, speaking in his capacity as representative of Finland, said that his country set great store by IARC's work and wished to see it continue. The Governing Council had approved the Director's vision as set out in the Medium-term Strategy and therefore it did not seem logical to envisage a budget cut. Finland supported the budget as proposed. He, too, supported the call to set up a working group to examine the scale of assessments. Speaking in his capacity as Chairperson, he proposed that the Governing Council should reflect informally on a consensus position on the budget and return to the subject on the following day. The terms of reference of the proposed working group could also be discussed.

The SECRETARY, responding to comments made, highlighted the remark by the representative of Belgium concerning the profile of the Agency: having worked at IARC in the early 1980s, he could confirm that its work had changed markedly since that time, adapting to developing priorities, particularly within the noncommunicable disease agenda. Cancer was nevertheless distinct from noncommunicable diseases since one in four cancers worldwide were associated with chronic infections, radiation, chemicals and other risk factors.

Participants had highlighted the need for more in-depth engagement with the Governing Council concerning the Agency's future direction. IARC's activities were underpinned by the Medium-term Strategy, which was defined jointly by the Secretariat, the Scientific Council and the Governing Council. The Secretariat would welcome the participation of the Governing Council in the forthcoming renewal of the Strategy since it was essential for the Agency to have an agreed basis on which to move forward. It would be timely to review the scale of assessments since the single category of membership and the high level of contribution required had been perceived as a barrier to membership of IARC.

In establishing the budget, a maximum 2% increase in contributions had been considered for existing Participating States and efforts had been made to respect the guidance that there should be an incentive for new Participating States when they joined IARC.

Mr ALLEN (Director of Administration and Finance) said that establishing the proposed budget had been a challenging task; if there had been no proposed increase in assessed contributions then the Agency would have faced a real cut of €6 million. The Governing Council Special Fund was governed by IARC's financial regulations, which stipulated that it was for the Council to decide the purposes for which it should be used.

The CHAIRPERSON asked the advice of Governing Council members on how the discussions should proceed.

Dr SUSO (Spain) said that she appreciated the efforts of IARC. However, given current financial constraints and the high level of contribution already paid by Spain it would be difficult for her to gain approval for a budget increase. Since she had received no response from the relevant ministries, she found herself in the same position as France in respect of the budget decision.

The CHAIRPERSON noted the different positions that had been put forward. He hoped that a reasonable compromise could be achieved that would allow the Agency to continue its good work as outlined in the Medium-term Strategy while at the same time acknowledging the realities faced by Participating States. Having sought views on whether further discussions should take place through a formal or an informal working group, he concurred with the suggestion by Ms RIOS (United States of America) that an informal group should be set up.

Dr PALMER (United Kingdom of Great Britain and Northern Ireland), Vice-Chairperson, said that it might be helpful to determine how many Participating States supported the budget through a vote by show of hands. If there were insufficient support for the budget as currently drafted then it would be for the Secretariat to return to the Governing Council with a revised budget.

The CHAIRPERSON requested that the Secretariat should draft terms of reference for a working group on assessed contributions, which could be presented on the following day. He understood from the WHO Office of the Legal Counsel that a budget could be approved by two thirds of Participating States provided that a vote was not held by secret ballot. Since it would be preferable to reach a consensus position he proposed that informal discussions should take place during the evening.

Ms HERNANDEZ (Canada) requested that a draft revised budget should be formulated that would meet with approval by all. In order to avoid a vote it would be preferable to keep contributions within current limits while allowing willing Participating States to make additional voluntary contributions.

Mr ALLEN (Director of Administration and Finance), responding to the proposal by Canada, said that voluntary contributions were always welcomed from Participating States and other countries; however, assessed contributions must be decided according to a set formula.

Professor AUTRUP (Denmark) said that his instructions were to approve a zero-growth budget; he would consult his authorities on any potential slight increases on the following day.

The CHAIRPERSON proposed that formal discussion on the item be postponed until the following day.

It was so **agreed**.

5. PROPOSAL TO ALIGN THE PROGRAMME, THE BUDGET AND THE MEDIUM-TERM STRATEGY CYCLES: Item 15 of the Agenda (Document GC/55/8)

Ms SANTHIPRECHACHIT (Administration and Finance Officer), illustrating her remarks with slides, said that Document GC/55/8 contained a proposal to align the programme, budget and medium-term strategy planning cycles. The Governing Council was requested to endorse the proposal, which would see the programme and budget aligned over a two-year period starting from 2016. The incoming Director would be given one year in which to prepare a five-year medium-term strategy and the current Strategy would be extended by one year, as recommended by the Scientific Council. The proposal would ensure that programme activities were not started before the corresponding Strategy had been reviewed and approved by the Governing Council.

Ms HERNANDEZ (Canada) supported the proposal to align the planning cycles for the programme and budget but questioned why the Strategy was set over five years. A six-year cycle would fit more closely with the two-year programme and budget cycles.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) agreed that the five-year cycle did not fit with the two years proposed for programme and budget purposes but explained that it had originally been determined in order to correspond with the five years of the Director's mandate.

Dr PALMER (United Kingdom of Great Britain and Northern Ireland), Vice-Chairperson, speaking in his capacity as representative of the United Kingdom, agreed with the remarks by the representative of Canada. The decision to align the Medium-term Strategy with the period of incumbency of a Director would not allow for the possibility that a Director might leave early.

The SECRETARY agreed that it would be preferable to align all three elements of the planning cycle although a six-year medium-term strategy would further remove the synchronization between the period of incumbency of a Director and the term of the strategy. The over-riding concern had been to ensure that activities were not begun before they had been approved by the Governing Council, but he acknowledged that not all of the planning cycle problems had been solved.

Mr DE RAEDT (Belgium) suggested that written and oral consultations should be launched in preparation for the next Medium-term Strategy so that proposals could be considered before it was finalized.

Dr FALEH (Qatar) said that, since the Medium-term Strategy was tied to the budget there would need to be sufficient capacity to ensure rigorous programme and project management within the two-year cycle.

The SECRETARY said that the programme reflected the Strategy and the Strategy provided the overall framework of the areas in which research would be conducted. Project Abstract Sheets were then developed and budget requests were generated from them. The budget was not directly linked to the strategy document itself.

The CHAIRPERSON said that the issue was very complex and it was unlikely that there was an ideal solution. Nevertheless, the proposal seemed an improvement on the present situation. He invited participants to consider the corresponding draft resolution.

Ms HERNANDEZ (Canada) requested that the draft resolution should reflect the desire to find a complete solution to the problem of aligning all three elements of the planning cycle in four years' time.

The RAPPORTEUR read out the following draft resolution on the proposal to align the Programme, the Budget and the Medium-term Strategy cycles (GC/55/R11):

The Governing Council,

Having reviewed the proposal to align the Programme, the Budget and the Medium-Term Strategy cycles, as contained in Document GC/55/8,

DECIDES that:

- Starting from 2016, the proposed programme will cover only the two years covered by the proposed budget presented in the same document (the document submitted for the regular session of the Governing Council in May 2015 will be entitled: "Proposed Programme and Budget 2016–2017");
- Incoming Director (whether on first or second term) will be given the first year to prepare the five-year Medium-Term Strategy which will formally take effect after completion of two years at the Agency;
- In order for the proposed programme to refer to a valid Medium-term Strategy and to align to the second year of the Director's incumbency, the current Medium-Term Strategy (as adopted by Resolution GC/52/R4) should be extended for an additional year, therefore covering the period 2010–2015, and the next Medium-Term Strategy would cover the period 2016–2020.

Dr STEBER-BÜCHLI (Switzerland) said that the resolution made reference to aligning the programme, the budget and the Medium-term Strategy although it seemed that the proposal was to align only the first two. She queried how the Medium-term Strategy would take effect after two years since that would leave half a year without a formally approved strategy in place.

The SECRETARY said that under the proposed change the previous Medium-term Strategy would already be in place; it would cover the period until a new strategy had been approved by the Scientific Council and the Governing Council.

Mr DE RAEDT (Belgium) requested that a final bullet point should be added to the resolution: "The preparation of the next Medium-term Strategy should be done in broad consultation, beginning after the 55th session of the Governing Council."

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

The meeting rose at 18:15