

International Agency for Research on Cancer



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IARC, Lyon

Wednesday, 13 May 2015, at 14:10

Chairperson: Dr Mark Palmer (United Kingdom of Great Britain and Northern Ireland)

Secretary: Dr Christopher P. Wild, Director, IARC

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Participating State Representatives

Dr Mark PALMER, <i>Chairperson</i>	United Kingdom of Great Britain and Northern Ireland
Dr Adam BABBS	
Professor Agnès BUZYN, <i>Vice-Chairperson</i>	France
Mr Jean-Baptiste ROUFFET	
Dr Stephen M. ROBBINS	Canada
Ms Lucero HERNANDEZ, <i>Rapporteur</i>	
Professor Christopher BAGGOLEY	Australia
Dr Britta KUNERT	Austria
Mr Lieven DE RAEDT	Belgium
Dr Luiz Antonio SANTINI (<i>unable to attend</i>)	Brazil
Professor Mads MELBYE	Denmark
Professor Juhani ESKOLA	Finland
Professor Eero PUKKALA	
Dr Chariklia BALAS (<i>unable to attend</i>)	Germany
Dr Jagdish PRASAD	India
Mr Keith COMISKEY	Ireland
Professor Walter RICCIARDI (<i>unable to attend</i>)	Italy
Dr Filippo BELARDELLI	
Dr Eiji HINOSHITA	Japan
Dr Rachid BEKKALI	Morocco
Dr Latifa BELAKHEL	
Dr Marianne DONKER	Netherlands
Mr Marc FAKKEL	
Dr Edgar RIVEDAL	Norway
Dr Karianne SOLAAS	
Dr FALEH Mohammed Hussain Ali	Qatar
Dr Eui-Jun PARK	Republic of Korea
Dr Dukhyoung LEE	
Dr Svetlana AXELROD	Russian Federation
Ms Lidia GABUNIYA	
Dr Olga KOVALEVA	
Dr Andrey KAPRIN	
Dr Rafael DE ANDRÉS MEDINA	Spain

Professor Mats ULFENDAHL	Sweden
Dr Karin SCHMEKEL (<i>unable to attend</i>)	
Dr Diane STEBER-BÜCHLI	Switzerland
Professor Abdullah Murat TUNCER	Turkey
Dr Lisa STEVENS	United States of America
Ms Mary Blanca RIOS	
Dr Mona SARAIYA	

World Health Organization

Dr Oleg CHESTNOV, Assistant Director-General, Noncommunicable Diseases and Mental Health
Ms Joanne MCKEOUGH, Office of the Legal Counsel
Dr Andreas ULLRICH, Senior Adviser to ADG/NMH, IARC Liaison Officer

Observers

Professor Cornelia ULRICH, Outgoing Chairperson, Scientific Council
Professor James F. BISHOP, Incoming Chairperson, Scientific Council
Professor Béatrice FERVERS, Chair, IARC Ethics Committee
Mr Cary ADAMS, Chief Executive Officer, Union for International Cancer Control (UICC)

External Audit

Mr Lito Q. MARTIN, Commission on Audit, Philippines (*unable to attend*)

Mexico

Dr Alejandro MOHAR BETANCOURT (*unable to attend*)

Secretariat

Dr C.P. WILD, *Secretary*
Mr D. ALLEN
Ms A. BERGER
Dr F. BRAY
Dr P. BRENNAN
Dr G. BYRNES
Ms D. D'AMICO
Mr P. DAMIECKI
Dr S. FRANCESCHI
Ms E. FRANÇON

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Dr Z. HERCEG
Dr R. HERRERO
Dr A. KESMINIENE
Dr D. LOOMIS
Dr J. MCKAY
Dr M. MENDY
Dr R. NJIE
Dr H. OHGAKI
Dr I. ROMIEU

Dr R. SANKARANARAYANAN
Ms A. SANTHIPRECHACHIT
Dr A. SCALBERT
Dr J. SCHÜZ
Dr N. SLIMANI
Dr K. STRAIF
Dr M. TOMMASINO
Dr J. ZAVADIL

1. DIRECTOR'S RESPONSE TO RECOMMENDATIONS FROM THE FIFTY-FIRST SESSION OF THE SCIENTIFIC COUNCIL: Item 8 of the Agenda (Document GC/57/5)
(continued)

Dr STEVENS (United States of America) commended the Agency's evidence-based recommendations to WHO, particularly those on the vaccination regime against human papillomavirus (HPV).

The RAPPORTEUR read out the following draft resolution, entitled "Report of the Scientific Council (1) – Utility of the new scoring system for reviews" (GC/57/R4):

The Governing Council,
Having reviewed the Report presented by the Fifty-first Scientific Council (Document GC/57/4),
Recalling its Resolution GC/55/R7 requesting the Scientific Council to report on its assessment of the utility of the new scoring system for reviews in 2015,
Noting the observations made by the Scientific Council (Document GC/57/4) following the experience drawn from two consecutive sessions,

1. NOTES the Report with great interest;
2. DECIDES to maintain the existing (new) scoring system, as recommended by the Scientific Council;
3. NOTES with satisfaction that the Scientific Council will continue to monitor the scoring system and may include this on its agenda for the Fifty-second Session of the Scientific Council in January 2016;
4. CONGRATULATES the members of the Scientific Council for their supportive and excellent work; and
5. COMMENDS the Director for his constructive responses to the recommendations of the Fifty-first Session of the Scientific Council.

The resolution was **adopted**.

Professor ULRICH (Outgoing Chairperson, Scientific Council), replying to a point raised by Mr DE RAEDT (Belgium), said that the peer review recommended by the Council would include input from the policymaking side, covering the impact of the Agency's research, for instance.

The SECRETARY said that key performance indicators were a way of measuring achievement, not targets in their own right. It was important to ensure that reviews of the medium-term strategy considered not only the success of individual sections but also that of the Agency as a whole in implementing the strategy.

Dr DONKER (Netherlands) asked about the status of the Scientific Council's recommendations. If they were considered as also representing the views of the Governing Council, then the latter would need to discuss them in much greater detail. While she greatly appreciated the input of the Scientific Council, it was not obvious that it should comment on issues such as the budget or the Agency's premises.

The CHAIRPERSON noted that there had been considerable debate about the role of the Scientific Council, which itself felt that it spent too much time considering reports on administrative issues rather than the scientific aspects of the Agency's work. The relevant draft resolution might be amended to include a request to the proposed new Working Group on standard reporting to consider that issue as well.

The RAPPORTEUR read out the following draft resolution, entitled "Report of the Scientific Council (2) – Establishment of a Working Group to review the production of standard reports" (GC/57/R5):

The Governing Council,

Having reviewed the Report presented by the Fifty-first Scientific Council (Document GC/57/4),

Having noted the Director's request to reduce the administrative load on the Agency's resources involved in the production of numerous standard reports,

1. DECIDES to set up a Working Group to review the list of current standard reports and advise the Secretariat on the potential of discontinuing or reducing the frequency of publication for some;
2. Further DECIDES that the Working Group shall be composed, in addition to the Scientific Council Chair (James Bishop), one Scientific Council member (Elisabete Weiderpass-Vainio), the current Governing Council Chair (Mark Palmer, United Kingdom), and the Representatives of Canada and the United States of America; and
3. REQUESTS the Working Group, after discussion with the Scientific Council in January 2016, to report back to the Governing Council on its recommendations at the 58th session of the Governing Council in May 2016.

After discussion of a draft amendment submitted by the CHAIRPERSON, in which Professor ULRICH (Outgoing Chairperson, Scientific Council), the SECRETARY, Mr DE RAEDT (Belgium), the CHAIRPERSON, Professor BAGGOLEY (Australia), Dr DONKER (Netherlands), Dr PRASAD (India) and Professor BISHOP (Incoming Chairperson, Scientific Council) took part, generally expressing the view that the amendment might be misinterpreted as a criticism of the Scientific Council, the CHAIRPERSON withdrew his amendment and invited the Scientific Council and the Director to consider informally with himself whether any changes were needed in the Scientific Council's methods of work and report back to the Governing Council at a later date.

The resolution was **adopted** without amendment.

The RAPPORTEUR read out the following draft resolution, entitled "Report of the Scientific Council (3) – Biennial report of the activities of the Education and Training Group (ETR)" (GC/57/R6):

The Governing Council,

Having considered the Report from the Fifty-first Scientific Council (Document GC/57/4) regarding the Biennial Report of the activities of the Education and Training Group (ETR), as presented to the Scientific Council in Document SC/51/8,

1. THANKS the Scientific Council for reviewing the Biennial Report of ETR activities;
2. AGREES that the production of the Biennial Report of ETR activities be aligned to that of the IARC Biennial Report; and
3. NOTES that the next ETR Biennial Report should cover the years 2016–2017.

The resolution was **adopted**.

2. FINANCIAL REPORT, REPORT OF THE EXTERNAL AUDITOR AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014, INCLUDING STATUS OF 2012/2013 AUDIT RECOMMENDATIONS: Item 9 of the Agenda (Document GC/57/6 Rev.1)

Ms SANTHIPRECHACHIT (Administration and Finance Officer), illustrating her remarks with slides, said that the annual financial report was presented in accordance with Article VI, Paragraph 6.1 of the IARC Financial Regulations; the report had been prepared for a third year on an annual basis in full compliance with the International Public Sector Accounting Standards (IPSAS).

Following changes adopted by WHO, IARC had reclassified some of the accounts presented in the Statement of Financial Performance during the reporting period. The allowance for doubtful account receivables and write off had been reclassified and reported with the revenue from assessed contributions and voluntary contributions. The net foreign exchange gain/loss had been segregated from the financial revenue and cost to clearly present the net value of realized and unrealized foreign exchange gain or loss, and its offsetting nature in accordance with IPSAS.

The external audit had been carried out on the annual accounts in accordance with IARC Financial Regulations, Article VI, Paragraph 6.2, by the audit team from the Philippines. In the External Auditor's opinion, the IARC financial statements presented fairly, in all material respects, the financial position as at 31 December 2014. The financial performance, changes in net assets and equity, cash flow, and comparison of budget and actual amounts were in accordance with IPSAS.

Furthermore, in the Auditor's opinion, the transactions of IARC had, in all significant respects, been in accordance with the WHO Financial Regulations. In addition to the audit of IARC financial statements, the Auditor had reviewed key operational processes of the Agency, including processes related to programme and project management. The Auditor had provided recommendations in the areas of: the collaborative research agreement; fellowships and other training programmes; and grant and project management.

One of the three main areas of recommendations from 2013, the SAP Project Management, had been implemented and was supported by dedicated workspace on SharePoint. Inventory management policy and procedures had also been developed during 2014 and implemented at the beginning of 2015. The policy on procurement management and updates of APW policy were in progress. Four of the six recommendations from the 2012 audit had been fully implemented, including those related to the Enterprise Risk Management Policy and the Asset Management Policy.

Concerning the financial position of the Agency, the total regular budget in 2014–2015 had been approved for €40.4 million: €19.989 million for 2014 and €20.435 million for 2015. Of those sums, €0.5 million had been financed from the Governing Council Special Fund and €39.9 million from assessed contributions from Participating States. By 31 December 2014, 88.08% of 2014 assessed contributions had been collected. Additional contributions had been received in 2015, bringing the collection of 2014 contributions to 96.93%. As of May 2015, there were no outstanding payments for 2013 assessed contributions. For 2015, 43.88% of assessed contributions had been received to date.

The activities planned for the first year of the biennium had progressed well and 88.08% of the approved budget had been utilized. The small balance from the previous biennium had been credited to the Governing Council Special Fund. The savings had been largely due to the residual balances of purchase orders.

The change of functional currency to the euro had significantly reduced exchange rate exposure for the Agency and there had been no budgetary costs due to currency realignments.

The Working Capital Fund was normally used to temporarily finance the regular budget, pending receipt of assessed contributions from Participating States. There had been no movement during 2014 and the fund balance at year-end remained unchanged at €3.292 million. The Governing Council Special Fund remained stable with a closing balance of €10.695 million, an increase of €1.508 million from the previous year.

The Voluntary Contributions Account included designated and undesignated contributions. Designated voluntary contributions were specifically earmarked by the donor to finance special projects, while undesignated voluntary contributions were donations not intended for a specific project. The total Voluntary Contributions account had a balance of €9.4 million at the end of the year. Based on grants and contribution agreements already signed, the Agency expected to receive €6.5 million in future years and the amount was reported in the statement of financial position as "deferred revenue". The Special Account for Programme Support Costs was collected from designated voluntary contributions at the standard rate of 13%; it had a fund balance of €3.387 million at year-end.

Unfunded liabilities of €27.932 million related to employee benefits had arisen largely as a result of the unfunded portion of the After-Service Health Insurance. The account had been valued by professional actuaries and calculated in US dollars. The increase in the liabilities in 2014 had been caused by a devaluation in the euro against the US dollar which had resulted in an unrealized exchange loss of €3.101 million. In order to progressively close the gap, the staff health insurance contribution continued to increase by 4% annually as per the plan set by WHO. According to actuarial projections, the funding gap would be closed by 2042.

Ms HERNANDEZ (Canada), Rapporteur, was pleased that the External Auditor had issued an unqualified opinion on the financial statements since it was important for IARC to demonstrate the transparency and accountability of its financial management. It was reassuring that the accounts were compliant with IPSAS and with WHO financial regulations. She noted with concern the deficit in 2014 relating to unfunded liabilities. It was important to ensure that the books were balanced in the current biennium and to follow closely the fluctuation in the exchange rate of the euro as it continued to affect the accounts.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) said that the Agency had converted to use of the euro from 2010, a practice that had been broadly beneficial. Current exposure to foreign exchange rate fluctuations was limited and was not expected to exceed the provisions requested. Concerning unfunded liabilities, the Agency had used a progressive approach to bridge the funding gap with respect to the After-Service Health Insurance, which would be completed by 2042; the Agency had no intention of requesting additional funds to meet unfunded liabilities.

Mr COMISKEY (Ireland) asked whether the higher staff costs in 2014 had been due to an increase in staff numbers or to a greater cost for each staff member.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) said that the staff costs for 2014 included all staff, including those budgeted from extrabudgetary sources.

Mr ALLEN (Director of Administration and Finance) said that staff costs for 2014 had been within budget. As mentioned in the Director's report, there had been an increase in spending in 2014 on the voluntary contributions account while, at the same time, there had been an increase in statutory costs for staff on the regular budget.

The RAPPORTEUR read out the following draft resolution on the financial report, report of the External Auditor and financial statements for the year ended 31 December 2014 (GC/57/R7):

The Governing Council,
Having examined Document GC/57/6 Rev.1 "Financial Report, Report of the External Auditor and Financial Statements for the year ended 31 December 2014 – Revision 1",

1. THANKS the External Auditor for her Report and opinion; and
2. APPROVES the report of the Director on the financial operations of the Agency.

The resolution was **adopted**.

3. IARC MEDIUM-TERM STRATEGY FOR 2016–2020, INCLUDING IMPLEMENTATION PLANS: Item 10 of the Agenda (Document GC/57/7)

The SECRETARY, illustrating his remarks with slides, introduced the draft medium-term strategy (document GC/57/7) and briefly outlined the process of its development.

The strategy was in three parts. The first part described the mission and values of the Agency and its role in the mobilization of the international community to combat noncommunicable diseases. It promoted international collaboration with a worldwide focus and produced public goods, such as the Monographs series and the GLOBOCAN database, for the benefit of the global cancer community.

The second part gave details of priorities in each of the key areas of research for cancer prevention – describing the causes of cancer, understanding the causes and evaluating interventions and their implementation. One of the planned outputs was the Global Cancer Observatory, a database and analytical tool which would make global and national cancer statistics available online. The Agency would support cancer registries and continue its work on the classification of tumours.

In its research into the causes of cancer, the Agency would focus on infections and environmental, dietary and genetic factors, and pursue new insights in molecular science. A further priority was the expert evaluation of human carcinogens, for instance through the Monograph expert meetings.

The evaluation of interventions would focus on primary and secondary prevention and cancer prognosis. It would also cover the implementation of national prevention and control programmes, identifying positive and negative factors influencing successful implementation.

The third part of the strategy described the Agency's leadership and activities to increase research capacity worldwide, including human resources for research, laboratory and computing services and biobanking. IARC would continue to promote the WHO noncommunicable disease agenda through international forums, while also drawing attention to issues applying specifically to cancer, and to expand its partnerships with regional cancer networks. Over the previous five years, the Agency had begun to place greater emphasis on surveillance, the economic impact of

cancer, cancer registration and the prevalence of risk factors, as well as observational studies of the effectiveness of interventions. It had sought to integrate laboratory and population-based research and to bring cancer researchers together in research platforms and multicentre collaborations. It would invest more in its media and communications activities and in e-publications and e-learning resources in order to increase the accessibility of its work.

The strategy was accompanied by three annexes showing, respectively, detailed implementation plans for each research section with the main project areas and expected outcomes; the organizational structure of the Agency; and the project tree, a framework showing how each project related to IARC's mission and how it contributed to the overall strategic goals, which also made clear the interrelationships between the various programmes.

In conclusion, he highlighted the Agency's excellent reputation as a high-quality, independent scientific institution and its role as a catalyst for action in the global cancer community. The new strategy had been adapted to the changing situation of cancer, characterized by the growing cancer burden, especially in low- and middle-income countries, the need for prevention strategies and the importance of international collaboration.

Professor ESKOLA (Finland) expressed his support for the draft strategy.

Dr ROBBINS (Canada) noted that the temporal aspect of the project tree was not clear: it was not obvious which projects needed to be completed before others could be addressed. The Director might wish to consult opinion leaders in order to develop key performance indicators showing the health policy impact of the Agency's work, or allow an external review of the Agency's priorities.

Dr DONKER (Netherlands), while commending the hard work done on the preparation of the draft strategy, said that it needed to specify priorities more clearly. It was not clear how the Agency decided to undertake – or not to undertake – research in a particular area, or how the principles laid down in the draft strategy were to be applied in the activities described in the project tree. Key performance indicators to measure the impact of the Agency's work need not necessarily be complex: the number of visitors to the Agency's website, the number of policy-makers attending Agency conferences or the interaction of Agency staff with policy-makers were all possible measures.

Mr DE RAEDT (Belgium) asked how the medium-term strategy would be evaluated. It was important not to have too many indicators.

The SECRETARY, responding to the points raised, said that some items in the project tree did indeed depend on others being completed first; he would endeavour to make those temporal relationships clearer in future. The discussion with stakeholders had been particularly useful in

determining which research areas the Agency should refrain from pursuing, including cancer treatment and basic science in areas unconnected with cancer risk factors or prevention. The Agency also concentrated on research which it could take right through to the implementation stage. The intention was for all research, especially in new areas, to be evaluated in the light of the principles laid down in the strategy; he personally reviewed all grant applications submitted by Agency scientists, which provided a good opportunity to assess their compliance with the principles.

In respect of the evaluation of the strategy, he said that the implementation plans for each research section included measurable targets, and the role of peer review was to be expanded. The Scientific Council would inevitably grow in size as more Participating States joined the Agency: it might be advisable to recruit some experts in cancer control and policy to reflect the Agency's changing priorities, rather than setting up a separate evaluation body.

Mr COMISKEY (Ireland) noted the importance of researching the economic impact of cancer and said that due attention should be paid to cancer control as well as prevention.

Dr BABBS (United Kingdom of Great Britain and Northern Ireland) commended the strategy's emphasis on core areas of cancer surveillance, particularly biobanking, and its incorporation of data from low- and middle-income countries.

Professor BUZYN (France), Vice-Chairperson, asked about the implications of the changes in strategy for the Agency's recruitment policy.

Mr ULLRICH (Senior Adviser to the Assistant Director-General, Noncommunicable Diseases and Mental Health, WHO) said that the draft strategy reflected the way in which the Agency's work complemented that of WHO. For example, the Agency's implementation research showed the effectiveness of screening and HPV vaccination and informed the work of the United Nations Interagency Task Force on Noncommunicable Diseases¹. Its work on the economic cost of cancer would provide valuable data for updates of Appendix 3 of the WHO Global action plan for the prevention and control of noncommunicable diseases 2013–2020², which listed policy options and cost-effective interventions for the prevention and control of major noncommunicable diseases.

¹ <http://www.who.int/nmh/ncd-task-force/en/>

² http://apps.who.int/iris/bitstream/10665/94384/1/9789241506236_eng.pdf

The SECRETARY stressed the fact that the Agency provided the evidence base for cancer control and implementation, rather than engaging in those activities itself. The move into implementation research had prompted the restructuring of the Section of Early Detection and Prevention. The new appointments to the Section would help to ensure that the Agency's work complemented, but did not duplicate, the work of national researchers.

Dr BELARDELLI (Italy) asked whether the Agency worked with other European research facilities in the field of biobanking, or with the European Clinical Research Infrastructures Network³ on clinical trials, some of which were of great significance for public health.

Dr AXELROD (Russian Federation) said that, if the ambitious targets of the strategy were to be achieved, more active involvement of existing regional and national networks would be required. She particularly wished to see more activities in eastern Europe and central Asia.

Dr PRASAD (India) said that, for developing countries, screening and early detection of precancerous conditions were essential, as cancer treatment, especially chemotherapy, was extremely expensive.

The SECRETARY said that the Agency was an observer in the Biobanking and Biomolecular Resources Research Infrastructure (BBMRI-ERIC)⁴. It had obtained European grant funding for a number of projects involving biobanks outside Europe, and was adapting biobanking guidelines so that they could also be used in low- and middle-income countries.

A number of projects involving eastern European and central Asian countries were under way, including the SEMI-NUC project, an assessment of the feasibility of a planned prospective cohort study of people living near the former Semipalatinsk nuclear test site in Kazakhstan.

Professor MELBYE (Denmark) suggested that the Agency should consider the use of new technology for data collection. Even low-income countries in Africa had a high level of mobile phone ownership, for example.

Dr BEKKALI (Morocco) said that a working group should be set up to evaluate the strategy. More work should be done to improve communication and develop partnerships in order to bring in more resources and ensure the Agency's financial independence. A study of the impact of its work on cancer control in specific countries, both developed and developing, would help to raise the Agency's profile among decision-makers.

³ <http://www.ecrin.org/>

⁴ <http://bbmri-eric.eu/about>

Professor ULRICH (Outgoing Chairperson, Scientific Council) noted that one unique and valuable task performed by the Agency was the creation of biobanking consortia to collect samples of the rarest tumours – a task which should continue to be given priority.

The SECRETARY said that follow-up data on breast cancer were already collected by mobile phone at four research centres in Africa. Morocco had worked actively to promote a common cancer strategy for the region, and its accession to the Agency opened up new prospects for the development of research and training at the regional level.

The RAPPORTEUR read out the following draft resolution on the IARC medium-term strategy for 2016–2020, including implementation plans (GC/57/R8):

The Governing Council,

Having considered Document GC/57/7 and its Annexes 1–3: “IARC Medium-Term Strategy for 2016–2020, including Implementation Plans”,

1. COMMENDS the Director and his staff on the document which clearly benefited from the wide and transparent process of consultation with stake holders and experts;
2. THANKS the Secretariat and the Working Group, composed of members of the Governing and Scientific Councils, and a Representative of WHO, for considering and finalizing the draft Medium-Term Strategy document;
3. THANKS the Scientific Council for reviewing the draft Medium-Term Strategy document (SC/51/12 and its Annexes 1–3) and for its comments and recommendation for approval by the Governing Council; and
4. ADOPTS the Agency’s Medium-Term Strategy for 2016–2020, including Implementation Plans, as contained in Document GC/57/7 and its Annexes 1–3.

Following a suggestion by Mr DE RAEDT (Belgium), the RAPPORTEUR read out a proposed new paragraph 4, as follows: “Requests the Director to make a proposal for an evaluation approach and methodology of the Medium-Term Strategy 2016–2020 to the next session of the Governing Council in 2016”.

After a discussion in which Mr DE RAEDT (Belgium), Mr COMISKEY (Ireland), Dr STEBER-BÜCHLI (Switzerland), Professor BAGGOLEY (Australia), Professor MELBYE (Denmark) and the SECRETARY took part, the CHAIRPERSON suggested the deletion of the phrase “and methodology” from the new paragraph.

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

4. PROPOSED PROGRAMME AND BUDGET (2016–2017): Item 11 of the Agenda (Document GC/57/8)

Mr ALLEN (Director of Administration and Finance), illustrating his remarks with slides, said that considerable efforts had been made in recent years to contain costs and to present an efficient budget, despite the difficulties that had entailed for the staff and programme teams. Further changes had been made in order to improve the clarity and transparency of the current budget proposal. The budget was presented with two components: staff and non-staff elements. The cost of the staff component was dependent on the WHO Financial Rules and Regulations as well as decisions on salaries, benefits and entitlements, which were taken by the International Civil Service Commission. Those statutory staff costs, which were outside the control of the Agency, had increased year-on-year, without a corresponding increase in staff numbers. The pressures on staff costs had made it difficult for the Agency to respond to the scientific community and to requests by the Governing Council to focus on specific areas of work.

Over the previous two budget cycles, the Secretariat had sought to ensure that staff numbers and structures were fully aligned with the priorities of the Agency. The restructuring of nine IARC Groups had led to the abolition of 13 posts and to the hiring of staff in line with the Medium-Term Strategy. All of the measures taken had formed part of a strategy for staff development and staff management put in place since interruption of the previous mechanism for the post classification review. A number of concerns had been raised as a result of these difficult decisions, although every effort had been made to find equitable solutions and to ensure that staff positions throughout the Agency were sustainable in line with the views expressed by members of the Governing Council. Bearing in mind the increased staff costs, dedicated efforts had been made to rationalize expenditure and ensure the most efficient use of resources, including long-term planning for laboratory activities and reviewing financial risks relating to ad-hoc requirements. The strategic use of resources had led to a reduction in support costs from 27.3% of the budget in 2012–2013 to below 20% in the 2016–2017 proposal.

There had been a clear change in the presentation of the 2016–2017 budget in accordance with Governing Council resolutions GC/55/R11 and GC/56/R15, which provided for the budget to move from a four- to a two-year cycle; for the alignment of the budget with the Medium-term Strategy; and for the adoption of the project tree structure. Document GC/57/8 demonstrated the more compact presentation of the proposed programme and budget, which had been reduced from a report of 75 pages to the current 38 pages. A more precise projection of staff costs across categories had been provided. Group heads had put together budgets, which they had defended in meetings with the Director of the Agency and the Director of Administration and Finance. The finalized budgets had been endorsed by the Senior Leadership Team. The Scientific Council had reviewed the proposed scientific programme and its relationship with the Medium-Term Strategy. Key principles had been applied in reaching the consolidated programme, including: the allocation of maximum resources to the scientific programme; efforts made to reduce the support and administrative overheads burden; not losing sight of the Medium-Term Strategy targets and of the extra resources required to achieve them; ending reliance on the Governing Council Special Fund; and making best use of assessed contributions from new Participating States.

The request for additional funds for 2016–2017 would require €3.5 million above the regular budget in the previous biennium, €1.4 million of which represented statutory staff cost increases over which the Agency had no control. The total budget proposal was €43.9 million, distributed across the objectives of the project tree. Historically, voluntary contributions had formed an important element of the Agency's overall budget, representing between 30% and 35% of the regular budget; the Agency would work hard to ensure that expenditure could be based on similar levels of voluntary contributions in 2016–2017.

Increases in expenditure in previous years had been funded by the contributions of new Participating States, by a reliance on the Governing Council Special Fund and by small increases in contributions from Participating States. It should be noted that the assessed contributions of most Participating States were less in absolute terms or had seen only slight increases since 2009. It was proposed that the 2016–2017 regular budget should be fully financed from the assessed contributions of Participating States, which would translate as an increase of between €5000 and €60 000 per year for each Participating State over the current biennium.

The Governing Council was requested to take note of the change in presentation of the budget; to approve the proposed budget for 2016–2017 and to agree to fund it entirely from assessed contributions. The document included a request to continue the provision for currency realignments. The Governing Council was requested to allow the Director to reallocate funds across the budget sections up to a maximum of 15%.

Dr DONKER (Netherlands) said that it was not clear why the Medium-Term Strategy, which the Governing Council had just adopted, required extra funds.

The SECRETARY said that there would be investments in line with the Medium-Term Strategy that would involve an increase in the number of posts, with 1.75 posts being allocated to early detection and prevention of cancer; 1.25 posts allocated to Monographs; one additional post for cancer surveillance; one pathologist post for the Blue Book series in order to speed up production of the classification of tumours; and one professional staff post for the Gambia Hepatitis Intervention Study, which had not previously had a staff budget attached to it apart from the local fieldwork staff.

Mr ROUFFET (France) said that France applied a strict zero-nominal-growth policy in all of the international organizations in which it participated. The principle of budgetary discipline was essential given the financial constraints experienced by most Participating States. Furthermore, it obliged international organizations to become more efficient and to compensate for increased costs through efficiency savings. France proposed to maintain its contribution to the Agency at an unchanged level, since it considered that any increased costs could be met by the contributions of the new Participating States. His Government understood that increases in staff costs were outside the control of IARC, but it could not accept an increase in the number of posts.

Dr HINOSHITA (Japan) said that he did not intend to oppose the budget proposal. He recognized the efforts made by the Secretariat to contain staff costs, but wished to receive a detailed report on them. Japan expected IARC to run its work effectively and efficiently for the benefit of cancer research and to enhance its transparency.

Dr DONKER (Netherlands) said that she wished to align herself with the statement by the representative of France, not because Netherlands lacked the funds to pay for any increases but because she wished to support the principle of sound and transparent financial management. She asked for the budget proposal to be reconsidered. She was curious as to why the amounts allocated for the Governing Council and the Scientific Council had increased.

Professor BAGGOLEY (Australia) said that Participating States had been asked to pay an increase of approximately 0.5% in assessed contributions over the previous eight years, a period during which the Agency had borne the effects of inflation as well as increases in staff and other costs. He agreed with the general principle that efficiencies must be found, but the relatively low increases paid by Participating States should also be borne in mind. Australia was therefore willing to pay the increase proposed. It was his understanding that the accession of new Participating States created additional work for the Secretariat.

The SECRETARY said that the cost increase in respect of the Governing Council and the Scientific Council represented one post assigned to meetings: in the past, the post had been included within generic administration costs. There had been a consistent under-budgeting of Scientific Council requirements in previous years, not least because the numbers of Scientific Council members had increased. It was part of his mandate as Director to attract new Participating States with the criteria that they would contribute both to the financial costs and to the work of the Agency; he had attempted to attract States in geographical regions that were under-represented on the Governing Council in order to ensure that the mission of IARC remained relevant in light of the growing cancer burden in low- and middle-income countries. The success in attracting new members had led to increasing awareness of IARC in new geographical areas and the introduction of regional initiatives, which the additional staff resources would be used to support. It was gratifying that four new Participating States had joined IARC since the financial downturn. The goal had been to generate new programmes while offsetting statutory cost increases as much as possible.

Dr BABBS (United Kingdom of Great Britain and Northern Ireland) said the United Kingdom recognized that inflation and compulsory increases in the permanent core cost base devalued the science budget over time and that IARC had undertaken significant restructuring over the previous year to create a budget that maintained an appropriate balance between science and core costs. The United Kingdom was supportive of the increase in the budget proposed, as it would enable IARC to effectively implement the new Medium-Term Strategy. Without the

increase in the budget, there would be challenges to IARC's ability to deliver all aspects of its science mission. In light of the support for the Medium-Term Strategy, it was important for the Agency to be supported in delivering that mission.

Dr AXELROD (Russian Federation) said that her country supported the zero-nominal-growth policy. She asked why it had been necessary to increase the proposed budget by over 8% and why it did not include a contribution from the Governing Council Special Fund, as in previous budgets.

Ms RIOS (United States of America) welcomed the improved presentation of the budget document. Like many Participating States, the United States' budget policy for all international organizations was zero-nominal-growth. She did not believe that contributions from new Participating States should be used to automatically increase the budget envelope. The proposed overall increase of 8.6% was inconsistent with the budget requests received from other international organizations and therefore the United States could not agree to it. Her Government continued to support the accomplishment of policy objectives through international organizations such as IARC but was obliged to do so within the context of its own national budget constraints. She requested that further efforts should be made to achieve efficiency savings and to constrain staff costs. She wished to learn what activities the Agency would not be able to accomplish without a budget increase and assuming that assessed contributions were to remain at the current level.

Mr DE RAEDT (Belgium) said that the policy of the new Belgian Government, formed in October 2014, was for zero nominal growth in all international institutions. Therefore, he joined the representatives of France, the Netherlands, the Russian Federation and the United States of America in requesting zero nominal growth in the assessed contributions of Participating States, although he could accept the slight increase in the budget arising from the contributions of new Participating States. He asked whether there were any plans to fund future budgets in part from assessed contributions and in part from voluntary contributions, as was the case at WHO.

Ms HERNANDEZ (Canada), Rapporteur, said that Canada supported the proposed scientific programme for the period 2016–2017, which was appropriate given IARC's mission and current global trends in the field of cancer research. The activities of the Agency reflected and complemented research priorities in Canada. She appreciated the efforts of the Secretariat in developing the proposed budget and recommended identifying key priorities and operational efficiencies that would facilitate optimal use of the budget. She recommended caution with respect to the increase in future liabilities with the creation of new posts. In line with other Participating States, Canada had a zero-nominal-growth policy.

Dr STEBER-BÜCHLI (Switzerland) said that she understood the views put forward by other Participating States but, considering that the contributions of many Participating States had not increased during the previous eight years, the proposed budget increase was within a range that should be possible.

Professor MELBYE (Denmark) said that, although he understood the value of IARC's scientific programme, a zero-nominal-growth policy was applied in Denmark without exception, including for its own institutions.

Dr KUNERT (Austria) said that Austria was not able to support the draft budget. In general, contributions from new Participating States should be used to fund a reduction in assessed contributions of existing members and should not lead to an increase in the budget. In order to achieve a compromise and in recognition of the increased costs faced by IARC as a result of indexation, Austria was prepared to agree to an increase in the budget that corresponded to the contributions of Brazil and Qatar, with the assessed contributions of Participating States remaining constant for the biennium.

Professor ULFENDAHL (Sweden) said that the Agency had made serious efforts to keep the budget at a moderate level while allowing it to pursue an active and ambitious programme. He joined with the representatives of Switzerland and the United Kingdom in supporting the budget proposal as presented.

Dr DE ANDRÉS MEDINA (Spain) acknowledged the efforts made to produce a suitable budget; however, he was unable to support any increase. The budget needed to be aligned with the economic realities faced by Participating States.

Dr RIVEDAL (Norway) said that, although the budgets of research institutes in Norway were being cut, the relevant funding ministry in his country believed that the work of IARC was sufficiently valuable that it was prepared to support the budget, with the increase proposed.

Professor ESKOLA (Finland) said that, although it was also the policy of his Government to cut funding for institutions in Finland, the Finance Ministry had given approval for the increased budget proposal in the light of IARC's contribution to public health.

Dr BELARDELLI (Italy) said that his Government was not able to support the budget proposal for the reasons already outlined by other Participating States.

The SECRETARY, responding to comments, said that the proposal put forward was an integrated budget that included voluntary contributions: put simply, for every 100 euros spent on research from assessed contributions, a further 40 euros was provided by contracts won outside the scope of assessed contributions. The fact that Participating States supported the work of the Agency allowed it to compete for additional funds. The Agency looked actively for ways to increase outside funding although such sources were uncertain and fluctuated from year to year; the funding provided by Participating States allowed the Agency to plan aspects of its programme.

Responding to the representative of the Russian Federation, he explained that, for the previous two biennia, the regular budget had been propped up by funds from the Governing Council Special Fund. Nevertheless, for the sake of the long-term financial health of the Agency, he would prefer to reduce that contribution rather than allow the Agency to continue to rely on such an insecure source of funding. A final decision could be taken once it had become apparent what restrictions would be placed on the current budget proposals.

He accepted that it was the responsibility of Participating States to set the budget of the Agency although, as Director, it was his responsibility to provide information on what impact the budget cuts would have on programmes. At the end of nearly seven years as Director of IARC, he could testify to the enormous efforts made to achieve efficiency savings while revising the Agency's research strategy, including contributing to the WHO focus on the burden of noncommunicable diseases. One concern of the Governing Council upon his arrival had been the ability of the Agency to recruit good-quality senior scientists and he was satisfied that there was now an outstanding senior team. Care should be taken not to jeopardize the ability to attract top people by raising doubts about the commitment of Participating States to the long-term future of the Agency. Every effort had been made by the Secretariat to restructure and provide a transparent picture of the administrative and scientific structure. Upon his arrival there had been no knowledge by the Governing Council that the Agency's infrastructure was failing. Now through the generosity of the local and national French Government, €48 million would be contributed to a new building which would allow the Agency to continue working, without any mandatory contributions from Participating States. IARC had succeeded in attracting new Participating States at a time of economic crisis. The Agency's personnel had made great efforts to continue to produce work of high quality despite various constraints. The current budget proposal was the last one that he would make; the following budget would transition to his successor. He was thus asking for an increase of 5000 to 60 000€ per year from Participating States to allow him to put into practice the plans he had drawn up.

The CHAIRPERSON said that, of the 17 representatives of Participating States who had spoken, 10 could not support the budget as proposed. He suggested that the Secretariat should consider the views expressed and submit proposals for budget cuts on the following day.

The meeting rose at 18:15.