

# International Agency for Research on Cancer

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**Governing Council  
Sixty-first Session**

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*Lyon, 16–17 May 2019  
Auditorium*

## **MINUTES OF THE SECOND MEETING**

IARC, Lyon

Thursday 16 May 2019, at 14:10

Chairperson: Professor Mads Melbye (Denmark)

Secretary: Dr Elisabete Weiderpass, IARC

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### Participating State Representatives

Professor Mads MELBYE, <i>Chairperson</i>	Denmark
Dr Stephen M. ROBBINS, <i>Vice-Chairperson</i>	Canada
Ms Kate TROTTER	
Professor Brendan MURPHY, <i>Rapporteur</i>	Australia
Ms Elisabeth TISCHELMAYER	Austria
Mr Lieven DE RAEDT	Belgium
Dr Ana Cristina PINHO MENDES PEREIRA	Brazil
Dr Markku TERVAHAUTA	Finland
Ms Tuula HELANDER	
Professor Norbert IFRAH	France
Dr Jocelyne BÉRILLE	
Mr Thomas DUBOIS	
Ms Barbara LÜBBEN	Germany
Dr Orsolya PACSAY-TOMASSICH	Hungary
Professor Péter NAGY	
Dr Zoltán MÁTRAI	
Dr Nilambuj SHARAN	India
Professor Reza MALEKZADEH	Iran (Islamic Republic of)
Mr Keith COMISKEY	Ireland
Professor Silvio BRUSAFERRO	Italy
Dr Mauro BIFFONI	
Dr Hiroyuki HORI	Japan
Dr Hitoshi NAKAGAMA	
Mrs Kay OHARA	
Dr Latifa BELAKHEL	Morocco
Mr Henk SOORSMA	Netherlands
Mr Jeroen HULLEMAN	
Professor Pål Richard ROMUNDSTAD	Norway
Dr Al-Hareth M. AL-KHATER	Qatar
Dr Tae Ho YOON	Republic of Korea
Mrs Jee Young KIM	
Mr Bong Geun YUN	
Dr Jae Kwan JUN	
Dr Igor KOROBKO	Russian Federation
Dr Sergey IVANOV	
Dr Alexey NOVOZHILOV	
Dr Rafael DE ANDRÉS MEDINA	Spain

Dr Sandra KLEINAU Dr Karin SCHMEKEL	Sweden
Dr Diane STEBER-BÜCHLI <i>No Representative</i>	Switzerland Turkey
Dr Mark PALMER Dr Mariana DELFINO-MACHIN	United Kingdom of Great Britain and Northern Ireland
Dr Ann CHAO Dr Gabrielle LAMOURELLE Mr Patrick CONNALLY	United States of America

### **World Health Organization**

Dr Soumiya SWAMINATHAN, Office of the Director-General, WHO

Ms Sigrid KRANAWETTER, Principal Legal Officer, Office of the WHO Legal Counsel

### **Observers**

Dr Samar AL-HOMOUD, Chairperson, IARC Ethics Committee

Dr Christine FRIEDENREICH, Incoming Chairperson, Scientific Council (*unable to attend*)

Dr Sonali JOHNSON, Head, Knowledge, Advocacy and Policy, Union for International Cancer Control (UICC)

Professor Giske URSIN, Outgoing Chairperson, Scientific Council

### **External Audit**

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

### **Secretariat**

Dr E. WEIDERPASS, *Secretary*  
Dr T. LANDESZ

Dr M. ALMONTE  
Dr P. BASU  
Ms A. BERGER  
Dr F. BRAY  
Dr P. BRENNAN  
Dr I. CREE  
Ms D. D'AMICO

Dr P. FERRARI  
Ms E. FRANÇON  
Dr M. GUNTER  
Dr K. GUYTON  
Dr Z. HERCEG  
Dr R. HERRERO  
Dr O. KELM  
Dr Z. KOZLAKIDIS  
Dr B. LAUBY-SECRETAN  
Dr T. LEE

Mr F. LOZANO  
Dr V. MCCORMACK  
Dr J. MCKAY  
Ms A. SANTHIPRECHACHIT  
Dr A. SCALBERT  
Dr J. SCHÜZ  
Dr I. SOERJOMATARAM  
Dr M. TOMMASINO  
Dr J. ZAVADIL

**1. FINANCIAL REPORT, REPORT OF THE EXTERNAL AUDITOR AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018: Item 9 of the Agenda (Documents [GC/61/5](#) and [Corr.1](#); [GC/61/Inf.Doc. No.4](#))**

Ms SANTHIPRECHACHIT (Administration and Finance Officer), illustrating her remarks with slides, said that the annual financial report of the Agency had been prepared in accordance with Article VI, paragraph 6.1 of the IARC Financial Regulations. The financial statements had been prepared in compliance with International Public Sector Accounting Standards (IPSAS). The External Auditor was unable to attend the meeting, but he had confirmed an unqualified opinion of the annual accounts to 31 December 2018. The External Auditor had also reviewed key operational processes of the Agency and had made 10 recommendations in five areas: to enhance e-Workflow and provide additional training on new features and to develop a standard monitoring tool for use across the Agency regarding Collaborative Research Agreements (CRA); to develop a standard template for succession planning in Human Resource Management; to expand the procurement plan and include additional information that provides added value with respect to Procurement Management; and to document processes in the Standard Operating Procedure (SOP), inform all concerned parties on their roles and responsibilities defined in the SOP, and maintain evidences that support the assurance with respect to the Statement on Internal Control (SIC), which had been implemented in 2018 in accordance with WHO practice. The External Auditor had recognized that very good internal controls were in place in the Agency. Finally, with respect to Risk Management, to enhance the description of risks provided in the risk log. The two outstanding items from 2018 had been implemented during the reporting period.

She presented the financial status of the Agency by category of fund and accounts, beginning with the net assets/equity by fund: overall, excluding the unfunded portion of the employee benefits liabilities, the net position was positive. Excluding the unfunded After Service Health Insurance (ASHI), the net assets/equity of the Agency had increased by €3.582 million between 2017 and 2018, largely as a result of voluntary contributions. Given that 2018 was the first year in the biennium, it was not unusual to have funds that would be carried forward. Programme Support Costs and the Governing Council Special Fund had decreased over the prior year. IARC's core fund, the Regular Budget, had been approved at €44.15 million for 2018–2019 and €21.91 million of that sum had been financed from assessed contributions from Participating States. 82.47% of assessed contributions due in 2018 had been collected in 2018 and 94.5% had been collected as of May 2019. The utilization rate was 91.36%. The unspent balance had been carried forward to 2019. There had been no costs arising from currency fluctuations in 2018. The utilization rate was presented across the six objectives of the Agency.

The past practice of using the Working Capital Fund to temporarily finance the Regular Budget pending receipt of assessed contributions had ceased following implementation of IPSAS, which required provisions to be set aside with respect to bad debt; no provision had been necessary in 2018. The Governing Council Special Fund was used to finance scientific equipment; the fund had a balance of €10.3 million at the end of 2018 of which only €4.5 million was uncommitted. Revenue from the sale of publications had been good, but lower than expected at €1.29 million. Further information on the Governing Council Special Fund could be found in document [GC/61/Inf.Doc. No.2](#).

The Voluntary Contributions Account contained designated and undesignated funds. Undesignated funds usually represented donations from individuals. Most funds were earmarked: based on grants and contributions agreements that had already been signed. Total Voluntary Contributions account had a balance of €13.86 million, 27% increase from 2017. In addition, the Agency expected to receive €13.75 million of deferred revenue that would be allocated to designated funds. Five key donors had contributed 70% of funds in voluntary agreements signed in 2018. Details of the account by donor could be found in document [GC/61/Inf.Doc. No.3](#).

The fund balance of the Special Account for Programme Support Costs had decreased to €3.78 million in 2018 as a result of lower indirect cost from designated voluntary contributions and higher investment in programme support costs. Past grants from the European Commission, had had high overheads of up to 60%. Many new donors had imposed zero or low rates of programme support costs on their grants.

The account for 'Participating States – Others' comprised inventories, property, plant and equipment and unfunded liabilities related to employee benefits. The unfunded liabilities of €57.605 million had contributed to the negative balance of €54.841 million. Unfunded liabilities could be split into three categories: short-term employee liabilities (€0.868 million); other long-term employee benefit liabilities (€1.928 million); and post-employment benefit liabilities (i.e. ASHI-unfunded portion) (€60.915 million). The Agency had worked closely with WHO on finding a way to close the funding gap. The funding gap for staff health insurance and ASHI changed according to actuarial valuations. The gap was being bridged in part through an increase of 4% per year in staff health insurance contributions. Negotiations had been undertaken with hospitals in order to decrease medical costs. The aim was to achieve full funding by 2049, although a recent WHO assessment had found that it might be achieved earlier. Further details on the ASHI liabilities could be found in document [GC/61/Inf.Doc. No.4](#).

Ms TROTTER (Canada) said that the unqualified opinion issued by the External Auditor was an important recognition of the efforts made to ensure transparency and accountability in the Agency's financial management. She noted with satisfaction that no significant internal control issues had been identified and that IARC was in the process of mitigating its most serious risks. She was glad to learn that no Participating States were in arrears of payment regarding their assessed contributions and she encouraged Participating States to continue to pay their contributions on time in order to support the Agency's efficient functioning. She commended the forward planning evident in the creation of the Post Occupancy Charge Account to finance the enabling and supportive functions, which was particularly valuable with respect to funding the temporary backfilling of staff members on maternity leave and to supporting staff gender parity. It was encouraging that the accounts for short-term and long-term benefits were funded well above their respective liabilities. The considerable liability of the ASHI continued to be a concern.

Ms LÜBBEN (Germany) said that she would welcome the inclusion of an executive summary in the financial report as part of the financial highlights. It was disappointing that the collection of assessed contributions for 2018 was not at 100%. The ASHI liabilities continued to be a cause for concern although the plans presented to reduce them were positive. The list of recommendations of the External Auditor should also be included in the financial report.

Mr CONNALLY (United States of America) thanked the External Auditor; he was pleased to note the unqualified opinion and to learn that IARC had no major concerns regarding internal controls. He sought clarification on whether the 91% utilization rate was an intentional management choice or whether it had been influenced by other external factors.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) said that the 91% delivery rate was in part a conscious management decision to allow the new Director to decide how to proceed and in part due to the unspent balance on the non-staff budget. A total of €1.9 million had been carried forward to 2019.

The RAPPORTEUR read out the following draft resolution entitled “Financial Report, Report of the External Auditor and Financial Statements for the year ended 31 December 2018” (GC/61/R4):

The Governing Council,

Having examined Document [GC/61/5](#) “Financial Report, Report of the External Auditor and Financial Statements for the year ended 31 December 2018” and its corrigendum ([GC/61/5 Corr.1](#)),

1. THANKS the External Auditor for his Report and “unqualified” audit opinion;
2. THANKS the Secretariat for providing supplementary information on the After Service Health Insurance (ASHI) long-term liabilities and related funding gap (Document [GC/61/Inf.Doc. No.4](#)); and
3. APPROVES the report of the Director on the financial operations of the Agency.

The resolution was **adopted**.

## **2. PROPOSED PROGRAMME AND BUDGET (2020–2021): Item 10 of the Agenda (Document [GC/61/6](#))**

Ms SANTHIPRECHACHIT (Administration and Finance Officer), illustrating her remarks with slides, outlined IARC’s sources of funding and the composition of the budget. The main source of funding, the assessed contributions of Participating States, represented some 75% to 80% of total funding depending on the level of voluntary contributions received. The assessed contributions were supplemented by extrabudgetary resources, which were derived from: Voluntary Contributions; Programme Support Costs or indirect costs; and the Governing Council Special Fund.

The main considerations in preparing the Programme and Budget were: the consistency of the proposed programme with the IARC Medium-Term Strategy 2016–2020; investment and reorganization of IARC programmes and structure; the need to protect the minimum level of non-staff budget while statutory staff cost increases continued; and the move to the Nouveau Centre in 2021.

The proposed regular budget 2020–2021 was €47.2 million distributed across the six Objectives of the Agency. It represented an increase of 6.88% over the previous biennium. The increase of €3.036 million had been requested in order to cover statutory costs; programme changes; and the non-staff budget. During the Financing Dialogue, Participating States had expressed concern about the ongoing increases in statutory costs and an assessment had been carried out at the request of Australia and others on the long-term impact caused by the ICSC policy introduced in 2016. The proposed budget also included an investment to leap resource mobilization efforts. It was also proposed to reactivate the IARC Fellowship Programme and to ensure the continuity of existing programmes such as the Monographs and Handbooks. There was a need to strengthen the support functions and to align core support functions with core funds. There was also a need to cover the net cost increase arising from internal restructuring (post upgrades, downgrades and abolishing of posts) as well as to absorb the inflation of non-staff costs.

The non-staff budget had decreased from €12.66 million in 2010–2011 to €10.79 million in 2020–2021. The trend in statutory staff increases was predicted to decline in 2023, 2024 and 2025 as, when staff who had been in post for some time reached the top grades, their salaries would no longer increase.

The main considerations in financing of the budget and assessment included the full assessed contributions from the Islamic Republic of Iran and the availability of extrabudgetary resources. There had been no change in the groups to which IARC Participating States were allocated as a result of the changes to the WHO scale of assessment. The withdrawal of Turkey must also be factored in; it had been hoped until a very late stage that the decision to withdraw could be reversed. Before the decision to withdraw had been communicated by Turkey, it had been planned to request a 4% increase in contributions from Participating States, which, with the contributions from the Islamic Republic of Iran, would have equated to an increase of 6.88%. A further increase would be requested to compensate for the withdrawal of Turkey. The move to the Nouveau Centre would take place over a six-month period, necessitating funds to be drawn from programme support costs in order to accommodate the overlap in the occupation of the old and new buildings.

The proposed budget of €47.2 million, which was needed in order to implement the core programmes and projects, was fully supported by the Scientific Council. As the Chair of the Scientific Council had mentioned earlier that day, a continuing policy of zero nominal growth was not sustainable for a cancer research institution: it was a policy that was hurting the Agency. Since zero nominal growth could be interpreted in more than one way, further budget proposals had been developed. Before presenting them, she sought the views of Participating States.

Professor MURPHY (Australia), Rapporteur, speaking as the representative of Australia, said that statutory staff costs, which were high for a cancer research institute and averaged €110 000 per head, arose because the Agency was part of the United Nations family. He noted that the recent restructuring had resulted in a net increase in costs in the short term, but he hoped that, in future, there would be room to be creative within the very rigid WHO salary scales. It was reassuring that diminishing increases were predicted in the future. During the Financing Dialogue, he had indicated that Australia would support a small increase in the budget provided that the Agency produced a very clear plan to reduce the growth in staff costs as the staff increases of the past could no longer be afforded. He would need to await the outcome of forthcoming Australian

elections before confirming his position, but he would continue to argue for a small increase. It was disappointing that contributions from new Participating States had to be used to keep the Agency running instead of being invested in exciting new projects. It would be essential to support increases in non-staff costs.

Dr DE ANDRÉS MEDINA (Spain) said that the essential question was not whether the policy of zero nominal growth was hurting the Agency but whether the budget was affordable given the economic constraints experienced by many Participating States. It was certain that, if more money became available, it could be used to promote research for the benefit of all populations but, in the current climate, it was important to try to achieve more with the same, or even diminishing, resources. He would prefer the budget to be further revised and adjusted in the light of his comments since the version presented was not affordable for Spain. He believed that new ways of addressing the long-term liabilities of the Agency should be considered.

Ms TROTTER (Canada) expressed support for the scientific programme and for the structuring of the proposed budget according to the objectives of the IARC Project Tree. The Agency's continued focus on understanding the causes of cancer, on prevention and control and on increasing the capacity for cancer research both reflected and complimented Canada's research priorities. The continued grounding of IARC's programme and projects within the Medium-Term Strategy contributed to a considered and methodical budget process. The proposed programme built on IARC's strengths in expertise, collaboration, education and training and aligned with its global scope. Building on its vision of an open organization, she encouraged IARC to leverage increased collaborations and partnerships as a way to advance the Agency's work in the current limited resource environment. She appreciated the efforts of the Secretariat in developing the proposed programme and budget and in engaging Participating States in the Financing Dialogue early in the year, as well as its efforts to find efficiencies, while ensuring that IARC continued to be a relevant global player. However, Canada continued to have a zero nominal growth policy with respect to all multilateral organizations and she was therefore unable to accept the proposed budget as presented. It was a matter of particular concern that the budget was automatically increased whenever the Agency was joined by a new Participating State, yet there was no automatic reduction when a Participating State withdrew.

Professor ROMUNSTAD (Norway) expressed support for the proposed budget on the premise that the increase was necessary to fulfil the Agency's legal obligations and liabilities. The increase was temporary until contributions were received from Hungary and, most importantly, it was necessary to maintain IARC's activities in accordance with its adopted Strategy. He supported the remark by the member for Canada that Participating States should not have to increase their contributions in order to compensate for the departure of a Participating State.

Mr SOORSMA (Netherlands) said that he appreciated the difficulties faced by IARC and he supported the proposal to increase contributions over the coming biennium in order to overcome the present predicament. The support of the Netherlands was linked to the discussion to be held later that day on the Medium-Term Strategy 2021–2025. He hoped that the focus and direction of the Strategy of IARC, including sustainable financing, would be clearly defined and receive the support of Participating States, thus avoiding the discussion on contributions, which currently took place every two years.

Mr CONNALLY (United States of America) said that the United States greatly appreciated the work of IARC and understood the very real constraints placed on the Agency as a result of the zero nominal growth policy. IARC had made commendable efforts to maintain its impressive performance under difficult circumstances. Nevertheless, the United States continued to insist on a zero nominal growth policy with respect to assessed contributions, both because of the financial circumstances of many Participating States, as outlined by the member for Spain, and because the present discussions could lead to more effective prioritization of programmes and policies. He echoed the concerns expressed by the representative of Canada with respect to the assumption that other Participating States would take on the costs arising from the departure of Turkey. He was also concerned about the timing of the notification to Participating States concerning Turkey's departure.

Dr PALMER (United Kingdom of Great Britain and Northern Ireland) welcomed the programme of research as presented and underlined the essential nature of IARC's work, its contribution to policy on cancer reduction and its impact on health care costs: the amount invested in research was negligible when compared to those costs. The area of research differed from the activities of other United Nations agencies: investment in research required commitment to the work undertaken and recognition of the inflationary costs involved, which must be considered in addition to the statutory increases in staff costs. The Governing Council had not increased its assessed contributions over a period of 10 years and the current request for an increase should be viewed in that light. The United Kingdom supported the budget as proposed before the withdrawal of Turkey: if the Governing Council as a whole was unable to commit to the proposed budget then the United Kingdom would undertake to make voluntary contributions in order to support the vital work of the Agency.

Ms TISCHELMAYER (Austria) said that she fully understood the difficult situation that IARC would face over the following two years. However, if a Participating State withdrew from an international research institution, the remaining Participating States could not cover the resulting financial losses. Furthermore, Austria had a zero nominal growth policy for international research institutes and, after consultation, she had learned that it would not change that policy.

Mr DE RAEDT (Belgium) said that Belgium had a zero nominal growth policy, which would remain in place with respect to the current year. He echoed the remarks of the member for Austria with respect to the withdrawal of Turkey. In order to break the current cycle, whereby, every two years, IARC presented a biennial budget and Participating States reaffirmed their policies on zero nominal growth, it might be helpful to hold a policy dialogue on resource mobilization, thereby raising the profile of the Agency in the media and in the ministries of Participating States. A more sympathetic response might be received from ministries if the work of IARC were better known.

The CHAIRPERSON noted that the Agency did try to reach out for grants. An on-going policy of zero nominal growth was, in effect, a decrease in contributions which, if continued on a yearly basis, would eventually lead to the closure of IARC if other sources of funding were not found. A policy of zero real growth might at least provide a stable situation.

Ms LÜBBEN (Germany) said that she did not want to harm the Agency or to prevent it from delivering its important mandate, but Germany had a strict policy of zero nominal growth with

respect to its contributions to international organizations and therefore she could not agree to any increase. IARC already departed from the zero nominal growth policy that applied in other international organizations because it increased the budget when it was joined by a new Participating State. It seemed only fair, therefore, that the budget should be reduced when a Participating State withdrew. Enabling functions must be funded from assessed contributions and core functions must be prioritized.

Dr KOROBKO (Russian Federation) welcomed the programme as presented; he understood that a budget increase was necessary to keep the Agency running until assessed contributions from Hungary could replace those previously paid by Turkey. Ways must be found to address the budget through a real increase since, without it, the funds of the Agency would eventually reach zero.

Dr KLEINAU (Sweden) expressed appreciation for the work conducted by IARC and understood the reasons for the budget increase requested. Sweden did not have a policy of zero nominal growth although it maintained strict spending limits. Sweden joined the United Kingdom in supporting the proposed increase in the budget, although it could not agree to an additional increase to compensate for the withdrawal of Turkey. Sweden was also highly in favour of starting a discussion with Participating States on developing a more long term, sustainable budget policy that might include an increase in the budget or better prioritization of the funds available. Consideration might also be given to amending the Statute of IARC in order to allow for a longer period between notification of withdrawal of a Participating State and the obligations with respect to payment, since a period of six months was not long enough for the Agency to adapt.

Dr HORI (Japan) thanked the Agency for the explanations provided concerning the impact on the budget arising from the withdrawal of Turkey. He could support the budget as originally proposed, however, any further increase required to compensate for the departure of Turkey would require him to seek authorization from the Japanese authorities. His support would also depend on certain conditions, most notably with respect to restricting the increase in staff costs as expressed by the member for Australia. The Agency had not provided information concerning the withdrawal of Turkey earlier in the year and, as a result, it had not been possible to consult with his authorities concerning the impact of the departure. It would be appreciated if such information could be provided in a more timely fashion in future.

Mr COMISKEY (Ireland) thanked IARC for the comprehensive budget proposal and for the Financing Dialogue that had taken place earlier that year. He understood some of the concerns expressed on behalf of Participating States but, on balance, given the global challenge of cancer and the role that IARC had to play in cancer research, Ireland supported the proposed budget increase.

Dr MENDES PEREIRA (Brazil) said that Brazil had operated a zero nominal growth policy for the previous three years. Brazil found the current level of its assessed contributions to be unrealistically high and it could not countenance an increase. Therefore, Brazil requested that the current level of assessed contributions should continue. Correspondence sent to new Participating States should contain clear information on membership benefits.

Dr TERVAHAUTA (Finland) said that the present two-year period should be viewed as a time of transition in which Participating States should make a commitment to the budget so that projects under way would be allowed to continue. In the meantime, conditions should be developed to ensure that new Participating States provided a notice period of at least one year if they wished to withdraw.

Dr STEBER-BÜCHLI (Switzerland) supported the comments by the members for Ireland, the Netherlands and Sweden, indicating her support for the budget as proposed. She agreed with the representative of Sweden that the Statute of IARC should be amended to allow for a longer notification period in the event that a Participating State wished to withdraw.

Dr BÉRILLE (France), following information provided by Dr LANDESZ (Director of Administration and Finance)<sup>1</sup>, asked what precedents had been set at that time. She drew attention to the forthcoming move of the Agency to the Nouveau Centre, a process that would require additional financial support at a time when revenue was being lost as a result of the withdrawal of Turkey.

The SECRETARY said that, during one period when Participating States had left or been suspended, a very successful area of research had been closed down, which was a loss to science.

The CHAIRPERSON, speaking in his capacity as the representative for Denmark, said that his position was similar to that of the member for Australia: he had received the agreement of his authorities to the proposed increase but the agreement was currently on hold pending the outcome of national elections.

Dr STEBER-BÜCHLI (Switzerland) asked what was the amount of the increase that would be proposed for WHO at the forthcoming World Health Assembly and what was the position of IARC Participating States with respect to that increase.

Dr SWAMINATHAN (Office of the Director-General, WHO) said that an increase in the order of 10% would be proposed for the biennial budget.

The CHAIRPERSON said that the increase proposed by IARC seemed modest in comparison.

Dr SWAMINATHAN (Office of the Director-General, WHO) said that the increase proposed by IARC did indeed seem reasonable.

Dr LANDESZ (Director of Administration and Finance), responding to comments concerning the withdrawal of Turkey, explained that the Agency had begun to work on the budget in May 2018 with an examination of needs and costs. During regular and high-level contact, including a scientific mission from Turkey to IARC in the summer of 2018 and discussions on collaborative programmes, there had been no indication that Turkey wished to withdraw from the Agency. It had therefore been a surprise to receive a letter in late November 2018, addressed to the Director-General of WHO, in which Turkey announced its intention to withdraw from IARC. The Agency had since learned that the internal economic situation, including the devaluation of the Turkish lira, had prompted Turkey's decision to withdraw from a number of international

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<sup>1</sup> Two States had withdrawn from participation (Israel in 1971 and Argentina in 2001), one had withdrawn and joined again (Brazil in 2001 and joined again in 2013) and one Participating State had suspended its participation (Russian Federation, from 1999 to 2006)

organizations. A few days after receipt of the letter, at a meeting held during the G20 Summit in Argentina, President Erdogan had assured the Director-General of WHO that he would reconsider the position and do everything possible to ensure that Turkey remained a member of IARC. A follow-up letter was sent by the Director-General of WHO, but no information had been received by the time the budget was presented to the Scientific Council meeting held in early 2019. Although no formal replies were received, the WHO country representative indicated that he had no reason to believe that the decision to withdraw would be reversed. The Director-General proposed to contact President Erdogan once again to remind him of the discussions held in Argentina. The Agency wished to reverse Turkey's decision in close consultation with Governing Council Chair prior to the expiration of the six-month notice period ending in early June 2019. IARC will set up a meeting with Turkey during the World Health Assembly, following the Governing Council meeting, as a final opportunity to reverse Turkey's decision<sup>1</sup>.

Mr DE RAEDT (Belgium) BELGIUM agreed that a 10% increase was proposed in the WHO budget envelope but that it comprised no increase in assessed contributions.

The CHAIRPERSON said it appeared that, excluding the budget considerations arising from the withdrawal of Turkey, 10 Participating States were in favour of the increase proposed, plus the members for Australia and Denmark who were awaiting the outcome of national elections. Seven members were against the proposed increase. Since the Statute would require a two-thirds majority, an insufficient number of members were in favour of the increase. Three members had not expressed a view. However, it was clear that the proposed budget would have to be modified.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) thanked members for their efforts to support the proposed budget and for their positive remarks on the work of the Agency. Following requests from Participating States to provide further budget scenarios, four scenarios had been envisaged with the corresponding impact on the assessed contributions of Participating States and the resulting information sheets were being distributed to the Governing Council. The first proposal was a zero nominal growth budget, which would result in programmatic reductions of €3 303 574, including cutting investment in bioinformatics, on-going cancer prevention programmes, the biobank and the IARC Fellowship programme. It would comprise assessed contribution decreases/increases ranging from -0.61% to 0.64%. Scenario 2 would also be a flat budget requiring a reduction of €3 036 389, with increases in assessed contributions ranging from 0% to 1.25%. The third scenario, which would allow for limited growth, would comprise cuts of €1 764 585 and increases in assessed contributions ranging from 2.88% to 4.17%. The fourth budget scenario, which reflected the request by some members not to cover the assessed contributions of Turkey, would lead to budget cuts of €1 547 962 and increases in assessed contributions of between 3.37% and 4.67%.

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<sup>1</sup> On 28 May 2019 a letter from Professor Emine Alp Mese, Deputy Minister of Health of Turkey, was sent to the Director-General of WHO, Dr Tedros, informing him that Turkey considers a three-year suspension rather than a withdrawal. This letter was received at IARC on 01/06/2019, just a few days before the lapse of the six-month period of ending membership.

Ms LÜBBEN (Germany) referring to the remark by the Chairperson that a two-thirds majority would be required to approve the budget, said that it was her understanding that decisions were adopted by the Governing Council on the basis of consensus.

Ms Sigrid KRANAWETTER (Office of the WHO Legal Counsel) said that members of the Governing Council representing two thirds of Participating States could take decisions. Based on current attendance, a majority of 18 members must agree to decisions at the present meeting. The Agency operated according to a tradition of taking decisions by consensus rather than by vote.

Ms TROTTER (Canada) expressed concern that scenario 3 appeared to continue the practice of increasing the budget by the amount of assessed contributions received from a new Participating State but with no corresponding reduction in the budget when a Participating State left. That scenario was not tenable in the long term, since it meant that the assessed contributions of Participating States would either remain the same or increase with each budget. She requested that scenario 3 should be adjusted to take account of her concerns.

Ms LÜBBEN (Germany) said that Germany could not accept any increase in assessed contributions. She requested that another scenario be produced, as even scenario 1 would imply a small increase for Germany.

The CHAIRPERSON asked members present to indicate their preference for each scenario.

Ms TISCHELMAYER (Austria) said that she did not believe that scenario 2 represented a zero nominal growth.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) explained that 70% of the budget was divided equally among Participating States and 30% was distributed according to the group to which they had been assigned, with 0 to 8 units being allocated to each country. Turkey had been assigned one unit according to the scheme, whereas the Islamic Republic of Iran had been assigned 0. Consequently, the number of allocated units had reduced with the departure of Turkey and the arrival of the Islamic Republic of Iran and therefore the cost of each remaining unit had increased.

Mr CONNALLY (United States of America) noted that the budget scenarios were reductions only in as far as they represented decreases from the proposed programmatic increases. He would be obliged to consult with his capital on the scenarios before indicating a preference, since all of them represented an increase in some form for the United States.

Dr DE ANDRÉS MEDINA (Spain) said that he would prefer to reach a consensus on the budget rather than proceeding to a vote. The question was not whether more could be achieved with more funds but whether the budget was affordable for Participating States: it would not be appropriate for such a decision to be taken by a two-thirds majority of Governing Council members.

The CHAIRPERSON proposed that discussion of the item should be postponed until the following day, in order to allow time for the Agency to respond to the concerns raised on the proposed budget and for members to consult with their capitals.

**It was so agreed.**

### **3. DISCUSSION OF THE EVALUATION REPORT ON THE IMPLEMENTATION OF THE IARC MEDIUM-TERM STRATEGY (2016–2020): Item 11 of the Agenda (Document [GC/61/7](#))**

Dr KELM (Head, Resource mobilization and management), illustrating his remarks with slides, recalled that the Governing Council had requested that a review of the Medium-Term Strategy (2016–2020) should be conducted in 2018. A Working Group composed of representatives of the Scientific Council, the Governing Council and WHO had assisted the Agency in defining a framework of indicators for the evaluation, which had been approved in 2017. The report of the evaluation had been submitted to the Scientific Council in early 2019 and was currently before the Governing Council for review. The first objective of the review was to evaluate overall progress in implementing the Strategy by monitoring the results and their alignment to the Agency's priorities through a series of quantitative indicators. The second objective, to assess the Agency's activities and their contribution towards the high-level strategic objectives, had been addressed through a qualitative approach that included a narrative report and case studies.

The first set of indicators related to the scientific output of the Agency and included bibliometric analyses of IARC papers published in scientific journals: over half of all papers published by IARC scientists appeared in the top 20% of journals during the period. The results were broadly in line with those of the previous Medium-Term Strategy and demonstrated the high quality of IARC's research. In assessing how the Agency's work was aligned with the IARC Project Tree, more than 900 articles published in the review period had been examined and remarkably consistent levels of productivity had been found. Interest in the publications had been measured using ALTMETRICS and it had been determined that IARC articles consistently generated higher rates of attention than other, similar research outputs. Remarkably, the three IARC articles with the highest attention scores in 2016, 2017 and the first half of 2018 all ranked first in the respective journals when compared to all articles published in that publication at a similar time.

There was continuing high demand for IARC's outputs: the volume of sales were around double those for the previous Medium-Term Strategy, reflecting the strong development of the IARC publications programme and the continuing success of the WHO/IARC Classification of Tumours. The e-bookshop had only been in operation for two years of the reporting period but the number of downloads was growing.

In the period of the review, IARC scientists had participated in successful funding awards to a value of €68 million, of which €25 million had been assigned to IARC. Area 2 of the Project Tree (Understand the causes of cancer) was the largest among the research activities of the Agency and it was responsible for most direct funding arrangements and grants. For each €1 of the Regular Budget invested in research programmes, Agency scientists added €0.68 from extrabudgetary contracts, which represented a good return on investment for Participating States.

In terms of its mission to train scientists and foster collaboration, a total of 194 Early Career and Visiting Scientists from 52 countries were hosted by IARC, with the vast majority of students coming from Participating States. The majority of IARC Fellowships were awarded to recipients from Participating States. In terms of capacity building and in keeping with the mission of the Agency, the majority of courses provided by IARC were targeted to low- and middle-income

countries. The Agency had also been found to have a broad reach in its international collaborations.

IARC had conducted 35 case studies on the impact of its work on policy such as the work in India and Costa Rica on using less than three doses of HPV vaccine, which had contributed to the scientific evidence supporting WHO's updated recommendations of two doses of vaccine for girls below 15 years of age. Another example of the impact of IARC's work on policy development was the evidence produced by the IARC Monographs, including the IARC Working Group report on artificial tanning devices. IARC also provided expertise for national policy development, such as evaluation of the impact of HPV vaccination programmes in Rwanda and Bhutan. Through the Global Initiative for Cancer Registry Development (GICR), IARC had delivered training to develop national capacity. IARC had also helped to develop open source software and other tools to assist researchers in the cancer research community, such as the development and sharing of IARC bioinformatics pipelines. The Nouveau Centre had been planned as 'an Open Structure for an Open Science', a resource that was already helping IARC to reinforce partnerships with local institutions and to reflect the image of a modern Agency. It was hoped to install a modern and leading biobank that would help the Agency to continue to provide strategic leadership in biobanking in the world as well as adequate facilities for e-learning and training.

The data presented demonstrated the alignment of the Agency's activities with the Medium-Term Strategy. It also provided a valuable experience that would serve as a benchmark for future internal and external evaluations.

Dr CHAO (United States of America) expressed appreciation for the report and for the case studies, which demonstrated the outstanding accomplishments of IARC. To highlight the work in global cancer research, she encouraged the Agency to focus on those activities that could only be done by IARC and not by other research institutions. She would appreciate learning more about the areas in which the Agency had assessed that the Medium-Term Strategy might be strengthened or in which it considered that areas of research might be redirected.

The SECRETARY said that the Agency was in the process of conducting an external evaluation followed by consultations with stakeholders. She would be in a position to address the questions posed by the member for the United States once the process had been completed.

Dr ROBBINS (Canada) said that the number of metrics used and the evaluation of the programmes were laudable. Good, qualitative measurements had begun to be addressed through the case studies. He wished to know what elements had been found in countries that were not adopters of policy or that were slow adopters, and what lessons could be learned in order to optimize uptake of policy changes based on IARC's work.

Mr DE RAEDT (Belgium) said that the reports had been impressive and extensive and they had been especially positive in terms of IARC moving away from a single focus on academic outputs and peer-reviewed articles: the current reports showed the full picture of IARC's activities and how it was aiming to fulfil its mandate. The evaluation also raised questions for the future and further time would be required in order to reflect on its findings.

Ms LÜBBEN (Germany) welcomed the evaluation, which demonstrated the high impact of the Agency's scientific work. It would be helpful to receive a summary that preceded the evaluation

of the Medium-Term Strategy and that outlined: what had been achieved from the original objectives; what gaps had been identified; where there had been shifts in priorities or objectives; and the implications of the evaluation for future strategy.

Dr KELM (Head, Resource mobilization and management) agreed that it would be useful to incorporate the lessons learned from the present evaluation in the development of the next Medium-Term Strategy.

The RAPPORTEUR read out the following draft resolution, entitled "Evaluation Report on the implementation of the IARC Medium-Term Strategy (2016–2020)" (GC/61/R6):

The Governing Council,

Having reviewed Document [GC/61/7](#) "Evaluation Report on the implementation of the IARC Medium-Term Strategy (MTS) (2016–2020)",

Recalling its Resolutions [GC/58/R7](#) and [GC/59/R6](#),

1. COMMENDS the Secretariat for this comprehensive and detailed report;
2. THANKS the Scientific Council for its review thereof, for its comments, and for its recommendations on how to further improve the Agency's evaluation reports in future, notably on the need to focus on indicators in key strategic areas linked to its core mandate and to further refine its impact assessments;
3. RECOGNIZES the impressive global reach and high impact of the work of IARC demonstrated in the Report, as also noted by the Scientific Council; and
4. APPROVES the Report as a fair representation that the Agency has implemented its strategy as foreseen.

The resolution was **adopted**.

**4. DISCUSSION ON THE PROCEDURE FOR THE PREPARATION OF THE MTS (2021–2025) INCLUDING THE SCOPE AND TERMS OF REFERENCE TO BE USED FOR THE EVALUATION OF IARC AND INCORPORATING THE EVALUATION OPTIONS AND A TIMETABLE: Item 12 of the Agenda (Document [GC/61/8](#))**

Ms SANTHIPRECHACHIT (Administration and Finance Officer), illustrating her remarks with slides, recalled that the purpose of the Medium-Term Strategy was to define the scope of the work of the Agency. The Strategy was approved by the Governing Council on a five-year cycle. With respect to the Strategy for 2021–2025, in Resolution [GC/60/R11](#), the Governing Council had tasked the Agency with conducting an evaluation of the topics raised in the Finnish proposal and describing the scope and terms of reference of the evaluation. A detailed procedure for preparation of the MTS 2021–2025 was to be prepared, incorporating options and a timetable. A four-stepped proposal had been presented to the Scientific Council in January 2019. The steps were: the establishment of an independent ad-hoc Advisory Group to conduct an evaluation of IARC; an external consultation with key stakeholders; the establishment of a joint Governing

Council/Scientific Council Working Group to oversee the development of the Strategy; and the drafting of the Strategy, taking into account the information gathered and after internal consultation with IARC personnel. The Scientific Council had expressed some concerns about the large size of the proposed Advisory Group but recognized that adequate Scientific Council representation was needed. The Scientific Council wished to be actively involved in the review, which must include all areas of IARC's research. With respect to external consultations, it was recommended that the Agency should consider including the governments of Participating States. Taking into account the views received, the Secretariat proposed that the ad hoc Advisory Group should be comprised of two members of the Scientific Council, two members of the Governing Council and five external experts. The evaluation could be conducted through a review of IARC reports and documents, an on-line survey open to all IARC Participating States and a questionnaire to all concerned units of WHO and IARC staff.

It was proposed that the joint MTS Working Group should be established at the 62<sup>nd</sup> meeting of the Governing Council and that it should comprise four members of the Scientific Council, six members of the Governing Council and one representative of WHO. The Governing Council was requested to endorse the five points set out in paragraph 33 of document [GC/61/8](#).

Dr SCHMEKEL (Sweden) asked whether it would be possible to appoint the members of the MTS Working Group before May 2020 in order to ensure that the evaluation process was completed well before the period in which the Strategy was due to be implemented. She further requested that the MTS should include an analysis of the added value of IARC and its unique role in the landscape of similar organizations.

Mr SOORSMA (Netherlands), having received an assurance from the CHAIRPERSON that Participating States would be included in the external consultations, indicated his full support for the five points outlined in paragraph 33 of document GC/61/8.

Dr KOROBKO (Russian Federation) said that it was not clear from document GC/61/8 how the experts for the ad hoc Advisory Group would be chosen.

Mr DE RAEDT (Belgium) said that the process appeared complicated and he noted that WHO carried out their external evaluations in a more straightforward manner; it subcontracted an external unit to conduct evaluations.

Ms LÜBBEN (Germany) said that she accepted the timeline for the evaluation process, but joined the member for Sweden in requesting that the MTS should include an analysis of the added value of IARC and its role.

The SECRETARY said that the Governing Council would be invited to give a view on the external experts appointed. In order for the Strategy to be approved before May 2021, the evaluation document would need to be submitted very early in 2020. She would do her very best to comply but the timescale would be challenging. She agreed that it would be a good idea to analyse the added value of IARC.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) said that in 2018, the Governing Council had decided that the evaluation would be carried out by the Governing Council and the Scientific Council, and external experts and not subcontracted to an external company. Finland's

proposal concerning the evaluation of “approaches to maximize the value and impact of IARC’s work” had not been included, as a comprehensive evaluation on the value and impact of IARC’s work had already been carried out as part of the mid-term evaluation of the current MTS 2016–2020 and reported in document [GC/61/7](#); the opportunity for adding more value and impact could be further identified during the consultation with stakeholders. Explanations concerning the proposed timescale were contained in document GC/61/8.

Dr LANDESZ (Director of Administration and Finance) confirmed that the Agency had worked closely with WHO in devising the evaluation process.

Dr CHAO (United States of America) supported the proposed process and the timeline, including the proposed five-month extension. She requested further information on how the external experts had been chosen for the ad hoc Advisory Group. She wished to know whether a cost estimate for the evaluation had been established and whether it had been included in the budget. It might be helpful to appoint more than one person from WHO with substantive content knowledge as well as a member of the WHO leadership team to address the rights and responsibilities of IARC.

The CHAIRPERSON said that criteria for choosing external experts had included their independence from IARC and their high level leadership experience; they must also be great scientists in cancer research or research on chronic diseases.

Ms SANTHIPRECHACHIT (Administration and Finance Officer) said that the cost of the process would be evaluated once the ad hoc Advisory Group had communicated its working methods.

Professor URSIN (Outgoing Chairperson, Scientific Council) said that members of the Scientific Council had emphasized that it was very important that they should have an opportunity to comment on the evaluation and the MTS before submission to the Governing Council. Supporting the remarks by the Chairperson, she believed that the independent experts who had been approached were among a handful of the best scientists in their field in the world.

The CHAIRPERSON, having invited members wishing to join the ad hoc Advisory Group to put forward their candidacy, noted that the members for Germany and Switzerland had volunteered.

The RAPPORTEUR read out the following draft resolution, entitled “Procedure for the preparation of the IARC Medium-Term Strategy 2021–2025, including the scope and terms of reference to be used for the evaluation of IARC” (GC/61/R7):

The Governing Council,

Having reviewed Document [GC/61/8](#) “Procedure for the preparation of the IARC Medium-Term Strategy (MTS) 2021–2025, including an evaluation of IARC”, and its [Annex 1](#),

Recalling its Resolution [GC/60/R11](#),

1. THANKS the Scientific Council for reviewing the proposal prepared by the Secretariat, and for its comments;
2. APPROVES the proposed process and timeline for developing the MTS 2021–2025 as described in Document GC/61/8 and its Annex 1;

3. ESTABLISHES an ad hoc Advisory Group to conduct an evaluation of IARC, composed of Scientific Council and Governing Council members as well as external experts as described under paragraphs 23–25 of Document GC/61/8, and NOMINATES the two Governing Council members from Germany and Switzerland, to be part of this Advisory Group;
4. APPROVES the proposed terms of reference of the ad hoc Advisory Group as described under paragraph 26, and the scope and process for the evaluation as described under paragraphs 28–31 of Document GC/61/8;
5. APPROVES the composition of the joint Governing Council/Scientific Council MTS Working Group to oversee the development of the MTS 2021–2025 as described under paragraph 32 and will decide on the Governing Council members to participate in this Working Group at the next regular session of the Governing Council in May 2020; and
6. DECIDES that the current MTS 2016–2020 should be extended by five months, i.e. until end of May 2021, to allow sufficient time for the Director to finalize the MTS 2021–2025 for submission to the Governing Council's approval at its 63<sup>rd</sup> Session in May 2021.

Dr SCHMEKEL (Sweden) requested that her proposal, which had been supported by the member for Germany, to include a reference to the added value of IARC and to its unique contribution should be adopted.

Mr CONNALLY (United States of America) suggested that wording to accommodate the proposal by the member for Sweden could be included in the fourth paragraph so that it would read:

“APPROVES the proposed terms of reference of the ad hoc Advisory Group as described under paragraph 26, and the scope and process for the evaluation as described under paragraphs 28–31 of Document GC/61/8 with the additional consideration of the impact and uniqueness of IARC”.

The resolution, as amended, was adopted.

**The meeting rose at 18:00.**