

## **UPDATE ON THE “NOUVEAU CENTRE” AND THE “NOUVEAU CENTRE” FUNDRAISING CAMPAIGN**

### **INTRODUCTION**

1. Please refer to document [GC/61/10](#), paragraphs 1–8 for the project historical details.
2. Since 2012, the City of Lyon has invested in a programme of urgent repair works for the tower building (ventilation, air-conditioning and heating systems) in order to ensure occupancy for five to seven years. Despite these concentrated efforts, the state of the building remains a major concern and continues to cause unanticipated interruptions in the Agency's work. The initial budget secured by the City of Lyon for the ad hoc repairs came to an end in June 2018. In order to ensure the continuity of IARC activities, the City of Lyon allocated an additional €240 000 budget for urgent works to be carried out in 2019 and further. This new budget allowed the replacement of several air-conditioning and heating units, the replacement of two lifts and the partial replacement of the fire safety system in 2020.
3. However, the budget is not sufficient to cover all repair costs and IARC will have to live and work in the premises under suboptimal conditions. For instance, four lower floors of the Tower building (basement, ground floor, 1<sup>st</sup> and 2<sup>nd</sup> floors) have had no heating since the beginning of 2021.
4. Moreover, the buildings have reached their maximum capacity in terms of office space, electricity supply and telephone lines. To remedy this situation, a number of lights were inactivated in corridors in order to prioritize electricity for computing equipment, and telephone lines had to be shared within offices.
5. Force-majeure teleworking, similar to what has been imposed by the COVID-19 pandemic, could be one solution in case of major technical issues, except for the laboratories and the biobank which remain the priority to maintain in IARC Business Continuity Plan.

### **FINANCING THE BUILDING PROJECT**

6. Please refer to document GC/61/10, paragraphs 10–19 for historical details on the funding of the building project.

## **CURRENT SITUATION AND PROJECT TIMELINE**

7. The global budget of the project was revised by the Métropole de Lyon in 2018 to include the amount of the Design-Build contract, taking into account the latest adjustments in the design of the building and has been increased to €51.6 million; cost increases of €2.4 million are equally shared between the Métropole and the Auvergne-Rhône-Alpes Region.
8. Additional overcosts are under discussion between the Métropole de Lyon and the Design-Build team which might lead to an increase in the budget to be supported by the Métropole.
9. The request for building licence submitted in June 2018 was approved by the French authorities in mid-November 2018. The detailed design studies started in August 2018 with input from IARC experts, notably in relation to the specific laboratory plans, and to strict UN security requirements.
10. The Design-Build team requested a five-week delay to finalize the detailed design studies, which were delivered at the end of January 2019.
11. A team composed of the Métropole de Lyon, external experts, and IARC's experts carried out an assessment of the detailed design studies. This assessment highlighted the complexity of the project and pointed to a lack of precision in the design. Consequently, the Métropole de Lyon requested the design-build team inter alia: to rework the design, to carry out additional detailed analysis, and to propose more detailed design studies for the beginning of July 2019.
12. IARC Secretariat, while supporting the decision of the Métropole de Lyon, raised its deep concerns regarding additional delays, which might compromise the inauguration of the new building that was planned before the end of 2021, potentially incurring additional costs on IARC in order to maintain the current premises operational beyond 2021.
13. Throughout the Summer of 2019, several difficult meetings took place. First at the operational level between the Métropole de Lyon, its experts, the Design-Build team and IARC to identify and find solutions to the main obstacles; and then at the political level to enforce the Design-Build team to fulfil their contractual obligations and propose a project compliant with the agreed specifications.
14. At last, mid-October 2019, the Métropole de Lyon validated the majority of the detailed design studies to be able to launch the building works phase, while carrying on discussing and moving forward on the remaining design topics that were not fully approved.
15. After a preparatory period, the building works started at the beginning of January 2020.
16. Six February 2020, marked a historic moment for the Agency: the first stone laying ceremony for the Nouveau Centre took place during the Scientific Council, allowing the members of the Scientific Council to be present and symbolically put a stone (flocked with the flag of their country) on the wall IARC had designed for this occasion. IARC institutional partners (French central government, the Auvergne-Rhône-Alpes Region, the Métropole de Lyon and the Ville de Lyon) also participated actively in the event.
17. Due to the COVID-19 outbreak and the first lockdown in France, the building works stopped from 18 March 2020 until 15 May 2020.

18. The impact of the COVID-19 outbreak on the overall project timeline has led to the rescheduling of the building delivery. The revised project timeline is as follows:

- *Autumn 2019–Summer 2022*: Building works.
- *Spring and Summer 2022*: IARC anticipated works (biobank set up and IT infrastructure).
- *October 2022*: Delivery of the Nouveau Centre to IARC.
- *November–December 2022*: Physical move and opening of the "Nouveau Centre".

## **FINANCING THE NOUVEAU CENTRE PLUS PROJECT**

19. Aside from the budget adjustments by the Métropole de Lyon mentioned in paragraph 7 above, the finalized "*Programmiste*" study allowed the Secretariat to better define the overall costs of the project, which led to certain cost elements being identified as outside the scope of the Métropole de Lyon's financial responsibility. These cost elements inter alia include the physical move of operations of a substantial number of biobank samples requiring specialized transportation; the purchase, transport and installation of laboratory equipment and benching; and the installation of specific security requirements as mandated by UN Security Standards.

20. Other potential costs associated with the move relate to modernization to ensure the best possible working environment in the new IARC Headquarters. This includes the replacement of some of the oversized or old office furniture, outdated laboratory equipment, as well as auditorium and meeting room video and sound systems. The Agency would also like to take this opportunity to replace old freezers in the biobank and transition to a modern, automated system.

21. During the detailed design studies phase (September 2018–October 2019) additional adjustments to the project were made, incurring supplementary costs.

22. The overall investments for a fully operational modern, smart and open building originally estimated at €13.4 million, revised at €12.8 million as of March 2021, would allow IARC to deliver its full potential and further expand its activities.

23. In early 2020, in order to help the resource mobilization efforts, the Governing Council Working group on Infrastructure requested IARC Secretariat to address the funding gap issue and develop investment prioritization strategy scenarios for all the additional costs of items outlined in paragraphs 19–22 above ([GC/62/8 – Annex 1](#) refers).

24. The Secretariat has identified the following funding to partially cover these costs:

- The Director set aside €1.5 million from earned overheads over the five-year period 2015–2019 to partially cover the physical move.
- The Director agreed to charge €163 622.43 on the Undesignated Voluntary Contributions budget to cover some necessary and essential adjustments during the design phase.
- Anticipated revenue from sales of old furniture and equipment ([Resolution GC/60/R10](#), paragraph 3 refers).

25. Thanks to the generosity of Mr Alain Mérieux, €1 million was mobilized to fully equip the Auditorium (see below paragraph 37).

26. Resource mobilization efforts developed since 2019 also led to in-kind contributions and other voluntary contributions (see below paragraphs 31 onwards).

27. Notwithstanding the above, the unfunded balance remains to be mobilized. As of March 2021, the funding gap amounts to €7.6 million (see [Annex](#)), with €2.6 million for Priority 1 items (critical items absolutely needed before the opening of the Nouveau Centre) that need to be mobilized before September 2021. The Secretariat has thus made the "Nouveau Centre" one of the priorities in its resource mobilization efforts during the next two years.

### **POTENTIAL SOURCES TO FUND PRIORITY 1 FUNDING GAP**

28. The Secretariat envisages the following stream of revenues to cover the €2.6 million Priority 1 funding gap before September 2021:

- €565 000 from the resource mobilization campaign (see details below).
- €1 000 000 from Voluntary contributions from the Participating States.
- €1 000 000 loaned from the Governing Council Special Fund (GCSF), to be reimbursed over a five-year period.

29. The Secretariat would need the Governing Council's approval to allow the loan from the Governing Council Special fund, including the expected reimbursement conditions.

### **RESOURCE MOBILIZATION EFFORTS: THE "NOUVEAU CENTRE" FUNDRAISING CAMPAIGN**

30. As described during the last Governing Council in May 2020, the Secretariat has developed a three-pronged strategy to mobilize in-kind and financial resources for the Nouveau Centre project. This strategy includes:

- Local campaign targeting major donors and key influencers in Lyon and its surroundings.
- In-kind contribution campaign targeting corporate, for-profit entities.
- Major gift campaign targeting Ultra-High Net Worth individuals (UHNWI) and/or Participating States.

Over the last year, all three axes of the campaign have been implemented.

31. For the local campaign, the Secretariat created a "Comité de Soutien" composed of six influents people from Lyon. A master file of around 300 qualified contacts of potential donors was gathered thanks to the collaboration with the Comité de Soutien. A Partnership with the Chamber of Commerce and Industry (CCI) provided the Secretariat with another qualified file of more than 250 compagnies with more than 50 employees and with offices in Lyon. Letters from the Director and brochures were sent to these contacts and direct follow-up was made. The Secretariat, through a partnership with the Federation of Very Small Enterprises, was able to organize an emailing campaign to a database of 50 000 contacts.

32. Unfortunately, the lack of brand image of the Agency (outside of the medical research ecosystem, nobody knows IARC, even in Lyon) and the sanitary crisis were not conducive to a very successful campaign. While IARC received a few donations, the Secretariat believes that the potential was far from being achieved.

33. The Secretariat formally launched the in-kind contribution campaign in October 2020 on the United Nations Global Marketplace (UNGM). The equipment needed for the Nouveau Centre was divided into three packs: furniture / IT-audio-video / laboratory equipment. Specific donor acknowledgement guidelines were also discussed and finalized with WHO DAN (Due diligence of Non-State-Actors) and LEG (Legal unit).

34. The Secretariat also reached out to its current suppliers database. Scientific Council and Governing Council members were also contacted and asked to provide direct contacts in their respective national companies. Japan responded positively to this request and provided contacts in 10 large companies. However, this was the only Participating State that provided direct contacts to the Secretariat.

35. The Secretariat is negotiating with a few companies regarding their in-kind donation offer. Tables for meeting rooms, -80 degrees freezers for the biobank or audio-video equipment will be provided for free by a few companies to equip the IARC Nouveau Centre. However, this will only cover a small part of the funding gap as only a few companies have responded positively so far.

36. The Secretariat noticed that companies that respond positively to this in-kind donation campaign are the ones with which IARC has already some kind of relationship. While the Secretariat has tried to reach out to large, multinational entities that could have provided larger donations, the absence of network and personal relationship within those companies have prevented the Secretariat from convincing the right decision-makers.

37. Regarding the major gift part of the campaign, the Secretariat is happy to report that Monsieur Alain Mérieux has made a sizeable donation for the Nouveau Centre project. The Mérieux family are long-time friends and supporters of the Agency. This is the reason why the Director had decided to name the auditorium of the Nouveau Centre "The Dr Christophe Mérieux Auditorium" in memory of Mr Mérieux's son who died tragically from a heart attack a few years ago.

38. The Secretariat takes this opportunity to warmly thank Norway for its generous voluntary contribution to the Nouveau centre project. In March 2021, the Secretariat received the confirmation of a donation of around €148 000 (1.5 million Norwegian Kroner) to be allocated to the Nouveau Centre. This generous voluntary contribution will go a long way in providing the best working environment for our researchers, hence ensuring IARC is able to deliver on its ambitious goals as described in the Medium-Term Strategy.

39. The Secretariat has also tried to reach out to many more UHNWI. Unfortunately, similar to the efforts made with for-profit entities, the absence of network and direct linkages with this specific target audience has prevented IARC from being very successful.

40. Based on analysis of the results of this first phase of the campaign, the Secretariat decided to not only strengthen the existing axes of the campaign but to also open a new one.

41. First, the Secretariat will launch a crowdfunding campaign and give the opportunity to the general public to participate into the Nouveau Centre project. This crowdfunding campaign will target private individual donors who can make an affordable donation to IARC (minimum of €50) and have their name carved on the glass doors of the Nouveau Centre. IARC will use its own network of Early Career and Visiting Scientists (ECVS) (current and alumni), staff, members of the Scientific and Governing Councils (current and past), IARC friends to activate and make visible the internet donation platform.

42. The Secretariat is also exploring the possibility to hire an expert fundraising agency to handle the part of the campaign targeting UHNWI to help in reaching out to the target audience. However, this does require some financial investment at first and the Secretariat is exploring several possibilities to gather that initial investment.

43. Last but not least, it is important to mention that the current environment is not conducive to handle such large capital campaigns. Unfortunately, the sanitary crisis has diverted the attention and the funds to COVID-19 relief work while other health issues, such as cancer, struggle to mobilize adequate resources. Hopefully, in the next few months, the situation will come back to a certain normal and will allow for more openness to other causes than the COVID-19 crisis relief.

**ANNEX**

## Nouveau Centre "plus" budget

Priorities	Definition	Costs as of March 2021 <i>(as of May 2020)</i>	Funds secured	Funds identified not yet secured	Funding Gap
1	Critical items or earmarked donation	€7 733 840 <i>(€7 660 334)</i> <i>(see note 1)</i>	€3 328 778 <i>(€3 007 877)</i>	€1 840 312	€2 564 750 <i>(€4 652 457)</i>
2	Non-critical items, rebuilding existing capacity	€1 601 500 <i>(€1 605 500)</i> <i>(see note 2)</i>	€0 <i>(€0)</i>	€24 000	€1 577 500 <i>(€1 605 500)</i>
3	Investment in upstream sectors. Improvements to align with Open Science	€3 427 600 <i>(€4 142 600)</i> <i>(see note 3)</i>	€0 <i>(€0)</i>	€0	€3 427 600 <i>(€4 142 600)</i>
	Total	€12 762 940 <i>(€13 408 434)</i>	€3 328 778 <i>(€3 007 877)</i>	€1 864 312	€7 569 850 <i>(€10 400 557)</i>

*Note:*

1. €73 506 difference due to overcosts under negotiation with the Metropole and 3 lab equipment (originally in Priority 3 but needed to be moved to Priority 1 for design and build purpose (calibration of the ventilation system)).
2. €4000 difference due to revised number of laboratory chairs.
3. €715 000 difference due to
  - Revised number (reduction) of -80°C freezers needed when opening the NC
  - 3 Lab equipment moved to priority 1
  - COVID-19 crisis (laptops and screens already purchased for IARC personnel to be able to telework)