



Proposed Programme and Budget 2022-2023

International Agency for Research on Cancer Lyon, France

(Documents GC/63/8 and GC/63/8 Corr.1)

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Document GC/63/8 Proposed Programme and Budget 2022-2023

Document GC/63/8 Corr.1. Corrigendum to correct the second year of the biennium in the Summary Table I to "2023" (page 35)

AGENDA

1. Scientific Directions
2. Proposed Programme and Budget 2022-2023
3. Financing of Regular Budget and Assessment on Participating States
4. Extra-budgetary resources
5. Requests to the Governing Council

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This presentation will cover:

- the scientific directions that provide the framework for the preparation of this proposal;
- the highlights of the proposed Programme and Budget,
- the proposed financing, including assessment on Participating States,
- the secured extra-budgetary resources that were included in this planning, and
- our requests to the Governing Council.



First, on Scientific Directions.

The proposed Programme and Budget 2022-2023 is the first biennium programme and budget prepared for the implementation of the new MTS that contains in the document GC/63/6A.

This new MTS, once approved by the Governing Council in May, will provide guidance on IARC's priorities over the next five years, with a view to ensuring that its activities have significant impact on the global burden of cancer, and ultimately, on people's lives.

This new MTS is a result of a close collaboration between IARC's governing bodies and the Secretariat.

MTS
2021-2025

Interlinked fundamental and emerging scientific priorities

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The new Medium-Term Strategy seeks to position IARC as the leading global cancer authority, promoting scientific excellence in and improved knowledge of cancer prevention. During the next five years, IARC remains its focus on cancer prevention research.

The Agency's two interlinked categories of priorities, i.e. **fundamental** and **emerging priorities**, were identified through extensive consultations with a broad set of stakeholders (including IARC staff, key experts from the international cancer control community, WHO counterparts, and IARC's governing bodies.)

FUNDAMENTAL SCIENTIFIC PRIORITIES:

IARC will continue to address its fundamental scientific priorities shown on the bottom right of this slide. You may notice that many activities proposed here are a continuation or extension of projects described in the previous Programme and Budget. This reflects the medium to long-term nature of much of the research conducted at IARC.

1. Data for action – *Who gets cancer, where and when?*
2. Understanding the causes – *Why do people get cancer?*
3. From understanding to prevention – *How to prevent cancer effectively?*
4. Knowledge mobilization – *How to mobilize the knowledge gained and strengthen global capacity for cancer science?*

EMERGING PRIORITIES:

In addition, three topics were identified as important and evolving global issues for cancer prevention research and referred here as IARC's emerging priorities for the next five years.

- E01. Evolving cancer risk factors and populations in transition,
- E02. Implementation research, and
- E03. Economic and societal impact of cancer.

IARC's New Project Tree provides structure for Programme and Budget

LEVEL 1: TO REDUCE THE BURDEN AND SUFFERING FROM CANCER TODAY AND AMONG FUTURE GENERATIONS

LEVEL 2	OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4	OBJECTIVE 5	OBJECTIVE 6
	Describing the occurrence of cancer	Understanding the causes of cancer	Evaluating cancer prevention interventions	Synthesizing and mobilizing knowledge and strengthening global capacities in cancer science	Strengthening the Agency's leadership, governance, strategic engagement, and advocacy	Strengthening the efficiency and effectiveness of the Agency's research and collaboration

- All objectives are fundamental to the Agency and some also contribute to emerging priorities.
- Projects are linked to level 3 objectives.

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Level 1 Objective: To reduce the burden of and suffering from cancer – today and among future generations		Contribution to fundamental (F) and emerging ¹ (E) priorities			
Level 2 Objective	Level 3 Objective	F	E1	E2	E3
1. Describing the occurrence of cancer	1.1 Improve and expand reporting of cancer data and statistics to inform global, regional, and national priorities for cancer prevention and cancer control; improve coverage, quality, and utility of cancer registration data worldwide, with an emphasis on low- and middle-income countries (LMICs)	X	X	X	X
	1.2 Enhance understanding of global, regional, national, and subnational changes in cancer risk, including in relation to ongoing socioeconomic transitions and social inequalities	X	X	X	X
	1.3 Enhance understanding of economic consequences of cancer and cancer disparities – descriptive economics	X	X	X	X
	1.4 Enhance understanding of new and known causes/risk factors for human cancer, including those that accompany key cancer transitions, and those related to cancer disparities, through the conduct of epidemiological studies	X	X	X	X
2. Understanding the causes of cancer	2.1 Enhance understanding of and elucidate biological mechanisms of carcinogenesis relevant to environmental/lifestyle factors, including those that accompany key cancer transitions, and those related to cancer disparities, through the conduct of laboratory studies	X	X	X	X
	2.2 Enhance understanding of exposure sources, including those related to key cancer transitions, and those related to cancer disparities, and related pathways; enhance understanding of potential risk factors, including those that accompany key cancer transitions, and those related to cancer disparities, in underserved populations and/or in LMICs and their interplay with the observed cancer patterns	X	X	X	X
	2.3 Enhance understanding of evidence-based interventions for cancer prevention and control to support their practical application, including those related to cancer disparities	X	X	X	X
	2.4 Enhance understanding of the efficacy and effectiveness of population-based interventions and cancer prevention programmes	X	X	X	X
3. Evaluating cancer prevention interventions	3.1 Enhance understanding about the development and application of biomarkers for early detection and outcome through translational studies	X	X	X	X
	3.2 Strengthen global knowledge and global and national capacities in cancer research and science	X	X	X	X
4. Synthesizing and mobilizing knowledge and strengthening global capacities in cancer science	4.1 Strengthen the understanding and use of tumour classification to underpin cancer diagnosis, management, and research	X	X	X	X
	4.2 Strengthen global knowledge and global and national capacities to implement effective, quality-assured, affordable interventions	X	X	X	X
	4.3 Enhance understanding of the causes of human cancer, including emerging cancer hazards, through cancer hazard evaluations of the available evidence base by leading independent experts	X	X	X	X
	4.4 Oversee the strategic direction of the Agency, enabling the implementation of its programme with full respect of the Agency's values, ethical standards, and code of conduct	X	X	X	X
5. Strengthening the Agency's leadership, governance, strategic engagement, and advocacy	5.1 Create and maintain key strategic engagement with stakeholders at national, regional, and international organizations, and scale up resource mobilization activities	X	X	X	X
	5.2 Strengthen the Agency's global image, communication and outreach to stakeholders	X	X	X	X
	5.3 Ensure the availability of adequate laboratory and computing/statistical infrastructure to support and enhance research	X	X	X	X
	5.4 Enable strategic vision and implementation, including management of financial, human, information, and infrastructure resources, to enable and support the effective delivery of the Agency's mandate	X	X	X	X
6. Strengthening the efficiency and effectiveness of the Agency's research and collaboration	6.1	X	X	X	X
	6.2	X	X	X	X

In order to ensure a continued link between the Agency's scientific programme, resource allocation and overall strategy as proposed in the new MTS, a new IARC Project Tree was developed to replace the old one. The new Project Tree provides a structure of objectives for activities of the Agency in three levels as shown here in the Table on the right side.

The preparation of the proposed Programme and Budget started from the most detailed level. Individual Project and Budget Proposals prepared by colleagues in respective Branches were mapped to Level 3 Objectives of the Project Tree. This enable activities and related resource allocation to be summarized at the different levels of the Tree.

Additionally, colleagues were also asked to indicate the contribution of each project proposal to the fundamental and emerging priorities. This extra step will allow the Agency to track its investment in the various priorities.

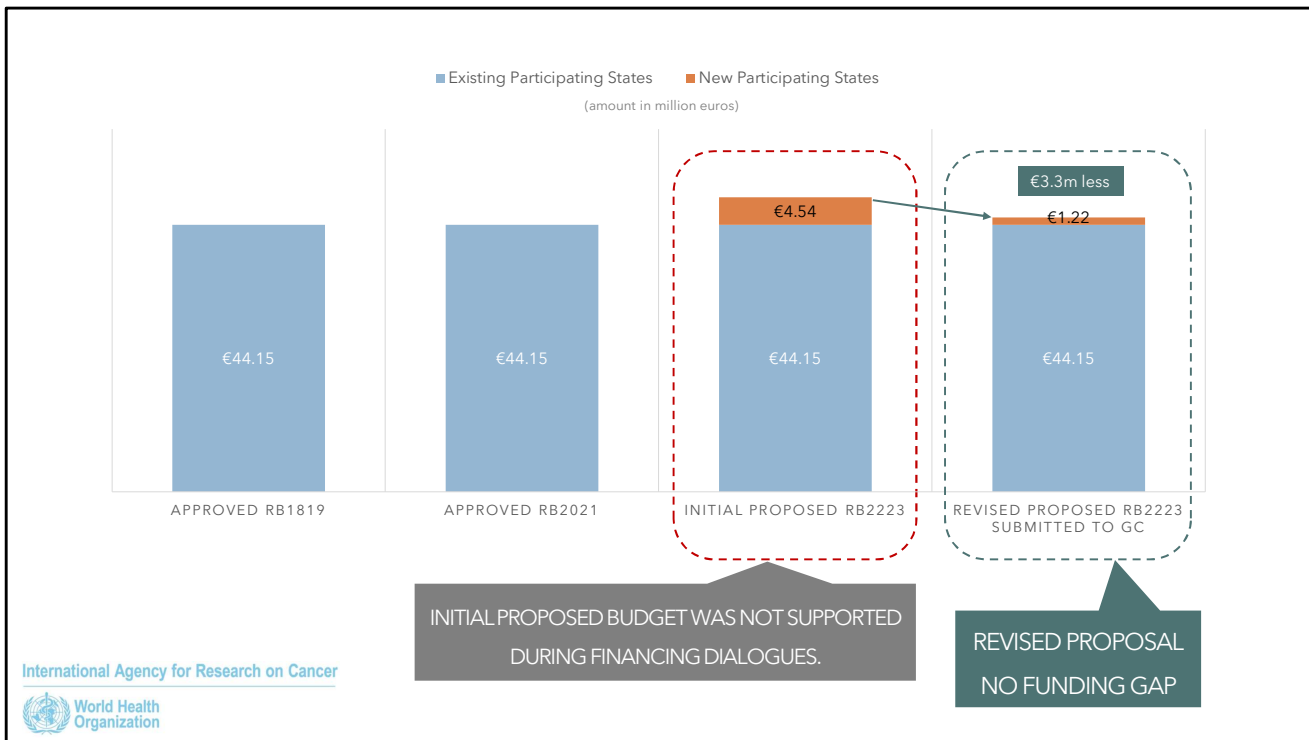
The summary of the proposed programme and budget that I am going to present next will be at the Level 2 of the Project Tree, comprising of six main Objectives.

- Objectives 1 to 4 capture the IARC's scientific programme
- Objective 5 is for the leadership, governance, strategic engagement and advocacy function, and
- Objective 6 is for enabling functions.

PROPOSED
PROGRAMME AND BUDGET
2022-2023

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To recap, a FLAT budget was approved for 2020-2021 (the current biennium) and the Agency had to freeze and subsequently abolish several senior scientist positions to absorb statutory cost increase.

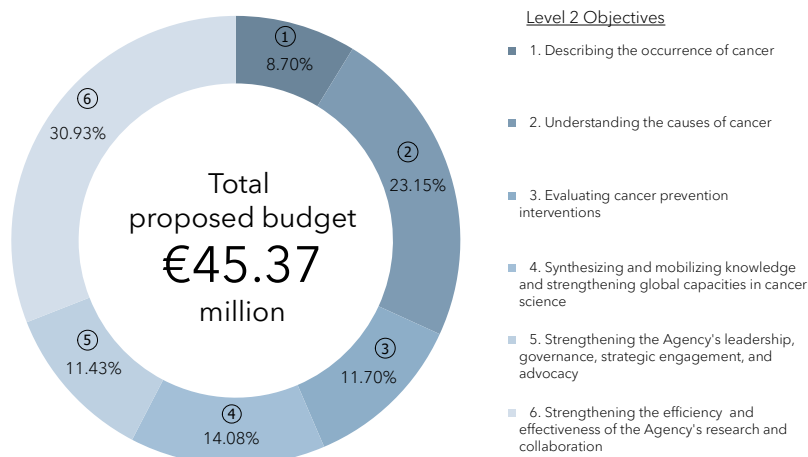
For the next biennium, budget increase was proposed to allow the Agency to strengthen its capacity that has been lost during these past years due to the continued zero nominal growth policy.

Regretfully, our proposal was not supported by IARC Participating States during the financing dialogues and the Secretariat was asked to prepare an alternative Programme and Budget without a financing gap for review and approval by the Governing Council in May.

This means, €3.3 million cut from the initial budget proposal. Consequently, the initial proposed programme and activities had to be scaled down.

Clearly, this will also have a significant impact to the ability of the Agency to implement and fulfil our ambitious goals set in the proposed new MTS 2021-2025.

PROPOSED PROGRAMME AND BUDGET 2022-2023



Regular Budget Distribution by Objectives

- 58% to four scientific objectives
- 11% to leadership, governance and strategic engagement & advocacy functions
- 31% to enabling functions, of which 20% are admin functions (Obj. 6.2) and 11% contribute directly to scientific outcomes (Obj.6/1*)

**Histopathology lab, biobank, biostatistics, and part of IT and infrastructure*

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Following the financing dialogue, the Secretariat had reviewed and identify areas for scaling down.

The total proposed budget was reduced from €48.69 million to €45.37 million.

This slide shows the revised budget distribution to the six main Objectives of the Project Tree.

Almost 60% of the budget is allocated to the scientific programme; 11% to leadership, governance, strategic engagement and advocacy function; and the remaining 31% to enabling functions under Objective 6.

As explained in the document, Objective 6 groups a broad range of activities that can be further classified to activities directly supporting the scientific programmes (Obj. 6.1) and activities providing operational and general administrative support to the Agency (Obj. 6.2).

The first group (enabling efficient implementation of scientific programmes) includes activities in the areas such as the management of IARC Biobank and pre-analytical processing services, IARC histopathology laboratory, and computing/statistical infrastructure. About one-third of budget allocated to Objective 6, or 11% of the overall budget, goes to this part.

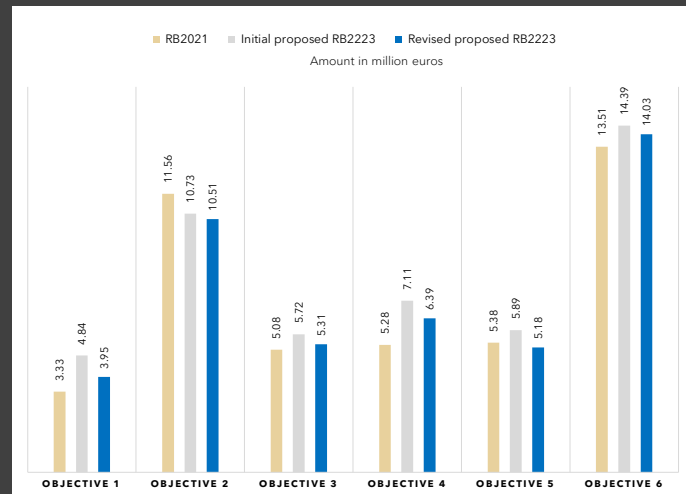
This means that **regular budget allocated to the operational and general administration is only 20%.**

Revised Proposal Regular Budget 2022-2023

€3.3m decreased

ALL AREAS ARE AFFECTED.

1. Cancer data and statistics (Objective 1.1) and cancer registry (Objective 1.2);
2. Bioinformatics (Objective 2.3);
3. Prevention intervention (Objective 3.1);
4. IARC Handbooks (Objective 4.3), and IARC Monographs programmes (Objective 4.4);
5. Strategic engagement and advocacy function (Objective 5.3); and
6. Enabling function directly supporting the scientific programmes (Objective 6.1)



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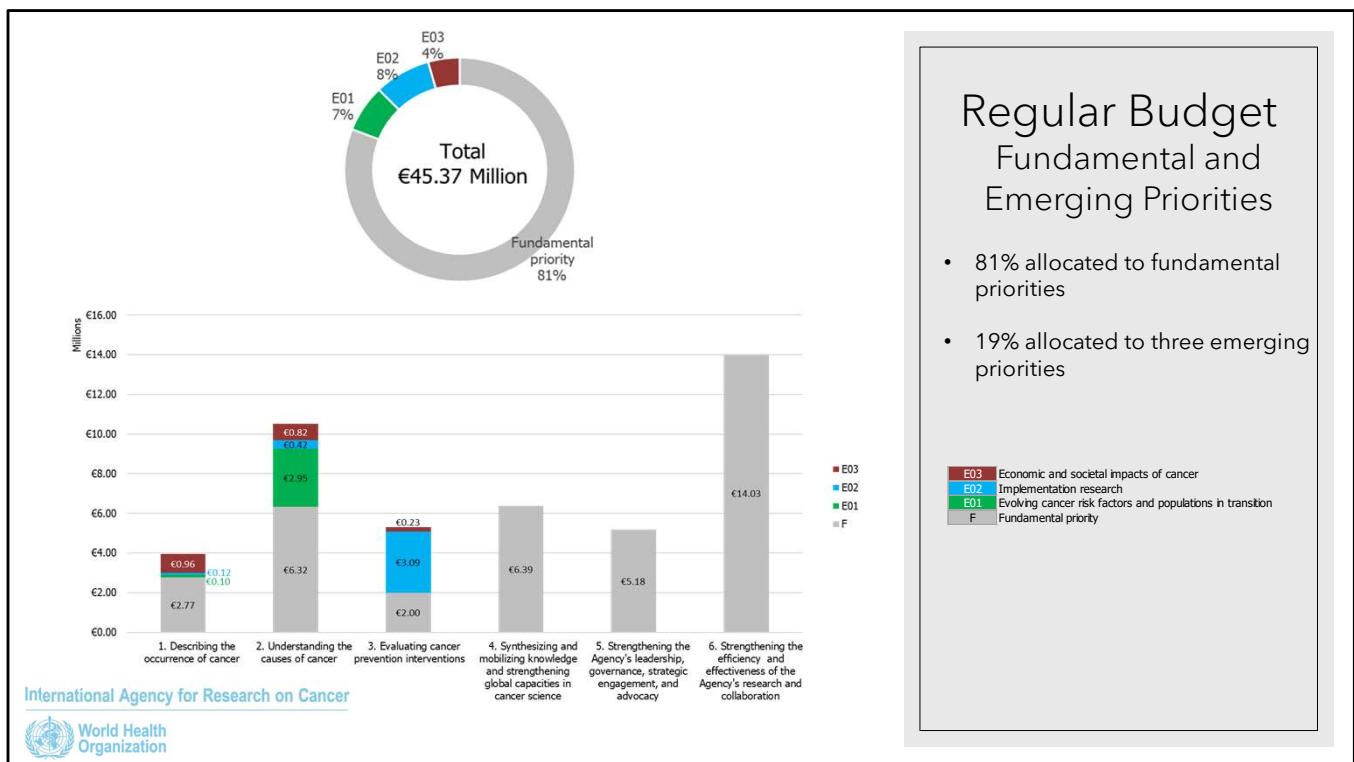
To address the request from Participating States, a careful consideration were made by the Director. Basically, all areas were affected to achieve the €3.3 million CUT as listed on this slide. Total 11 staff positions had to be removed from the initial proposed Programme and Budget.

The graph compared the distribution of budget to the six main Objectives in the approved budget for 2020-2021 (in yellow bars) with the initial proposed budget for 2022-2023 (in grey bars) and the revised reduced budget proposal for the next biennium (in blue bars).

Kindly note that, the Secretariat received pouring support from the Scientific Council on the proposed MTS 2021-2025 and the initial proposed programme for the next biennium. In addition, we also received comments and suggestions from several Scientific Council members that were going to an opposite direction, such as

- commending us for investing in areas such as bioinformatics,
- suggesting us to invest even more in wet-lab activities,
- having a well staffing team for each project, and
- investing in leadership to attract more funds.

While truly appreciate all comments and suggestions, the Secretariat had to inform Scientific Council of the revised proposal and the need to scale down instead. Though disappointed, the Scientific Council concurred with these scaling down areas.



Regular Budget Fundamental and Emerging Priorities

- 81% allocated to fundamental priorities
- 19% allocated to three emerging priorities

Introducing a new dimension to the new Project Tree has enabled the Agency to track its investment in the fundamental and emerging priorities.

In this proposed Programme and Budget, 19% of the regular budget is attributed to emerging priorities. The three emerging priorities are largely embedded within the scientific programmes under Objectives 1, 2, and 3 as shown in the below figure on this slide. This proportion is expected to grow over time.

Proposed Financing of Regular Budget

Amount in euros

Funding Sources	2020-2021	2022-2023	Change
Contribution from Hungary	0	1 221 536	1 221 536
All other existing 25 Participating States	44 149 793	44 149 793	0
Total Budget	44 149 793	45 371 329	1 221 536



Statutory staff cost increase (*WIGI, GS salary scale increase, SHI & ASHI rates increases*) €1.82M

Net decrease from reduced staff positions to absorb statutory cost increase (€0.76M)

Non-staff budget increase €0.16M

Full financing from Assessed Contributions

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Financing of the Regular Budget.

The proposed financing of Regular Budget for the next biennium shown in this table reflects our initial planning scenario, whereby the overall assessed contributions of existing 25 Participating States are maintained **at the same level as the current biennium**, which is 44.15 million euros.

The proposed budget increase of 1.22 million euros or 2.77% was expected to come from Hungary.

The full contribution from Hungary alone will not cover the statutory staff cost increase and small increase for non-staff budget. To absorb the difference, 11 positions need to be removed from this reduced proposal as mentioned earlier.

The Secretariat proposes to fully finance the next biennium budget from assessed contributions from Participating States. Based on this revised proposal, the assessment on each Participating State was calculated as shown on the next slide.

proposed RB2223	approved RB2021	+ / -	PARTICIPATING STATES
1 221 536	n/a	n/a	GROUP 5: Hungary
1 221 536	1 236 194	-14 658	GROUP 5: Finland, Iran (IR), Ireland, Morocco, Qatar
1 493 764	1 501 094	-7 330	GROUP 4: Austria, Belgium, Denmark, India, Netherlands, Norway, Sweden, Switzerland
1 765 991	1 765 991	0	GROUP 3: Australia, Brazil, Canada, Italy, Republic of Korea, Russian Federation, Spain
2 310 448	2 295 788	14 660	GROUP 2: France, Germany, United Kingdom
3 399 360	3 355 385	43 975	GROUP 1: Japan, United States of America

(Amount in euros)

Assessment on Participating States

- o Assumption: No change in WHO's scale of assessment
- o No increase of overall AC from 25 existing Participating States
- o Impact to individual country varies depending on the Group classification.
- o €1.22 million increase in the overall budget will come from full contributions of Hungary.
- o **All amounts are for the biennium.**

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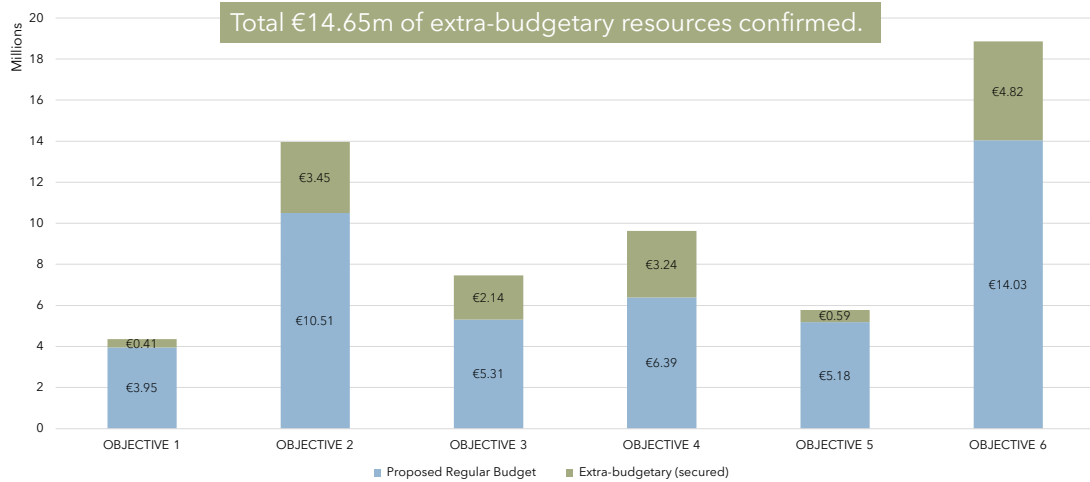


Assessment on IARC Participating States is linked with WHO's scale of assessment. So one important assumption in this calculation is that there will be no change in WHO's scale of assessment hence all grouping of IARC's Participating States remain the same as in the current biennium.

While there will be no increase of the **overall** Assessed Contribution from existing 25 Participating States, an impact to **individual country** varies, depending on the Group classification as shown in this Table. Some countries will pay less and some countries will be asked to contribute more with a maximum of about 44,000 euros per year in the next biennium.

The Secretariat expected to cover the increased budget from the full contributions from Hungary.

COMBINED ALL RESOURCES



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As always, the Agency uses all available resources to finance our activities. This slide provides a consolidated picture when combining 45.37 million euros of the proposed regular budget with 14.65 million euros of the extra-budgetary resources that were already secured at the time of budget preparation.

Resource mobilization is on top of the Agency's priority and a concert effort has been deployed to increase extra-budgetary funding to implement the scientific programme that had been carefully crafted.

The Governing Council is requested to consider the following:

1. Acknowledge that the proposed Programme for 2022-2023 is consistent with IARC's draft Medium-Term Strategy 2021-2025;
2. Approve the 2022-2023 biennium budget at the level of **€45 371 329** to allow the Agency to deliver the proposed programme that was recommended by the Scientific Council.
3. Approve the financing of the 2022-2023 biennium budget exclusively from assessments on Participating States.

Governing Council has an essential role to review and approve the Programme and Budget of the Agency.

Therefore, we would like to conclude this presentation by requesting the Governing Council to consider endorsing the following.

1. Acknowledge that the proposed Programme for 2022-2023 is consistent with IARC's draft Medium-Term Strategy 2021-2025;
2. Approve the 2022–2023 biennium budget at the level of €45 371 329 to allow the Agency to deliver the proposed programme that was recommended by the Scientific Council.
3. Approve the financing of the 2022–2023 biennium budget exclusively from assessments on Participating States.

4. Approve a provision for unforeseen budgetary costs due to currency realignments:

- Grant authority to the Director to use a maximum of €500 000 from GCSF to cover unforeseen budgetary costs due to currency realignments, noting the base rate of exchange for 2022-2023 will be €0.907/US\$.

5. Approve a provision for transferring budget between sections:

- Grant the Director the authority under Financial Regulations Article III, Paragraph 3.3 to transfer credits between sections of the budget, provided that such transfers do not exceed 15% of the section from which the credit is transferred.
- Transfers in excess of 15% of the section from which the credit is transferred may be made with the prior written concurrence of the majority of the Members of the Governing Council.

There are two further requests, which are consistent with the prior biennium budget resolutions.

4. Approve a provision for unforeseen budgetary costs due to currency realignments

For the 2022-2023 biennium, due to the on-going fluctuation of Euros against USD, we would like to request the Governing Council to continue granting the authority to the Director at the same provisional level i.e. a maximum of €500 000 per biennium from GCSF to cover these costs, noting the base rate of exchange for 2022-2023 will be €0.907/US\$. (This is the average UN exchange rate of Jan.-May 2020, the period in which this budget proposal was developed.) Unspent balance, if any, will be returned to the GCSF.

5. Approve a standard provision in budget resolutions to allow the Director to transfer budget across sections as needed during the biennium, within the limit of 15% of the section concerned as in previous biennium budgets.

Thank you very much for your kind consideration and support to our proposed program and budget for the next biennium. Please do not hesitate to contact us should you require any clarification and we look forward to engage more with you during the upcoming virtual session of the Governing Council in May.