



Lyon and web conference, 10–12¹ May 2023

MINUTES OF THE SECOND MEETING

IARC, Lyon and web conference

Thursday 11 May 2023, at 09:00 Central European Summer Time (CEST)

Chairperson: Professor Norbert IFRAH (France)

Secretary: Dr Elisabete WEIDERPASS, Director, IARC

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¹ No summary record was prepared for the session on Friday 12 May 2023, the inauguration ceremony for the Nouveau Centre.

Participating State Representatives

Professor Norbert IFRAH, Chairperson Dr Thomas DUBOIS Ms Christine BERLING Dr Nicolas ALBIN	France
Dr Mara BURR, Vice-Chairperson Ms Christina TAYLOR Dr Maya LEVINE <i>[unable to attend]</i> Dr Tracy CARSON <i>[remotely]</i> Dr Satish GOPAL Ms Adriana GONZALEZ	United States of America
Professor Dorothy KEEFE Ms Sarah McNEILL, Rapporteur	Australia
Ms Elisabeth TISCHELMAYER	Austria
Dr Marc VAN DEN BULCKE Ms Anne SWALUË <i>[remotely]</i> Ms Eloïse DELFORGE	Belgium
Dr João Paulo DE BIASO VIOLA Dr Luis Felipe RIBEIRO PINTO <i>[unable to attend]</i>	Brazil
Dr Fei-Fei LIU Ms Jennifer IZAGUIRRE	Canada
Professor Jie HE Ms Qi SHI Ms Xin HUANG Dr Wenqiang WEI Mr Wanqing CHEN Ms Ni LI Ms Jing WU	China
Dr Morten FRISCH	Denmark
Dr Markku TERVAHAUTA Ms Tuula HELANDER	Finland
Mr Thomas IFLAND	Germany
Professor Péter NAGY	Hungary
<i>[No Representative]</i>	India
Dr Yunes PANAHI Dr Sajad SAHAB NEGAH	Iran (Islamic Republic of)
Mr Eoin DORNAN <i>[unable to attend]</i> Mr Andrew KELLY	Ireland
Dr Mauro BIFFONI	Italy
Dr Hitoshi NAKAGAMA Dr Takashi SUZUKI Dr Kanami KOBAYASHI Ms Kay OHARA	Japan
Dr Latifa BELAKHEL Dr Youssef CHAMI KHAZRAJI	Morocco
Ms Susan POTTING Mr Pim TEN BROEKE	Netherlands

Professor Pål Richard ROMUNDSTAD Dr Karianne SOLAAS [<i>remotely</i>]	Norway
Dr Al-Hareth M. AL-KHATER Mr Abdullatif Ali AL-ABDULLA [<i>unable to attend</i>]	Qatar
Dr Min Won LEE Dr Hyeon Gyu PARK Mr Yeol KIM	Republic of Korea
Dr Eduard SALAKHOV Mr Ivan TARUTIN Dr Anton BARCHUK [<i>unable to attend</i>]	Russian Federation
[<i>No Representative</i>]	Spain
Professor Madeleine DURBEEJ HJALT Dr Karin SCHMEKEL	Sweden
Mr Florian DOLDER	Switzerland
Dr Mark PALMER Dr Isobel ATKIN	United Kingdom of Great Britain and Northern Ireland

World Health Organization

Dr Bente MIKKELSEN	Director, Noncommunicable Diseases, WHO headquarters
Ms Sigrid KRANAWETTER	Principal Legal Officer, WHO headquarters

Observers

Scientific Council

Dr Manami INOUE	Chairperson
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IARC Ethics Committee

Dr Samar AL-HOMOUD	Chairperson
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Union for International Cancer Control (UICC)

Dr Cary ADAMS	Chief Executive Officer
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External Audit

Ms Ritu DHILLON [<i>remotely</i>]	Director of External Audit (WHO), Office of the Comptroller and Auditor General of India
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Secretariat

Dr E. WEIDERPASS, <i>Secretary</i> Dr T. LANDESZ	Mr O. EXERTIER Dr P. FERRARI Ms E. FRANÇON Dr Z. HERCEG Dr M. JENAB Mr D. KAVANAGH Dr Z. KOZLAKIDIS Dr B. LAUBY-SECRETAN Ms T. LEE Mr F. LOZANO Dr F. MADIA Dr V. MCCORMACK	Dr J. MCKAY Ms C. MEHTA Ms A. MENEGHEL Dr S. RINALDI Ms C. SALIGNAT Dr M. SCHUBAUER-BERIGAN Dr J. SCHÜZ Dr I. SOERJOMATARAM Dr S. VIRANI Ms V. VOCANSON Dr J. ZAVADIL
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1. ELECTION OF DIRECTOR (CLOSED SESSION): Item 10 of the Agenda

The Governing Council met in closed session from 09:00 to 09:30. On resumption of the plenary session, the RAPPORTEUR read out the resolution on the selection of the Director of the Agency, which had been **adopted** in the closed session (GC/65/R1):

The Governing Council,

Considering the provision of Article VII, paragraph 3 of the Statute of the Agency and Rule 46 of the Rules of Procedure of the Governing Council,

1. SELECTS Dr Elisabete Weiderpass to continue as Director of the International Agency for Research on Cancer;
2. REQUESTS the Director-General to renew the contract of Dr Elisabete Weiderpass as Director of the International Agency for Research on Cancer for a period of five years from 1 January 2024 on terms and conditions of employment equivalent to those of an Assistant Director-General of the World Health Organization, these conditions of employment being subject to the provisions of the Staff Regulations and Rules of the World Health Organization; and
3. AUTHORIZES the Director-General to consult Dr Elisabete Weiderpass on the issue of pension arrangements and to include in the contract, as appropriate, an amendment in light of that consultation.

The SECRETARY declared herself deeply honoured and grateful for the renewed confidence placed in her by the Governing Council. She paid tribute to her dedicated staff and undertook to continue the Agency's invaluable work, particularly in respect of cancer in low- and middle-income countries and the impact of the pandemic of coronavirus disease (COVID-19) on cancer research and care.

2. ADDRESS BY THE DIRECTOR-GENERAL, WHO: Item 11 of the Agenda

Dr MIKKELSEN (Director, Noncommunicable Diseases, WHO headquarters), speaking on behalf of the Director-General of WHO, congratulated Dr Weiderpass on the latter's re-election as Director of the Agency. She mentioned that, in its 75th anniversary year, WHO was celebrating major achievements, including the eradication of smallpox, the near-eradication of poliomyelitis and a one-third reduction in global rates of tobacco smoking over the previous 20 years. However, major challenges remained, including the global burden of cancer, which was responsible for one in six deaths worldwide, with an immense social, economic and financial impact leading to real generational harm. It was estimated that achieving a 90% vaccination rate against cervical cancer alone could produce a saving of US\$ 2–5 billion per year.

IARC made an invaluable contribution to WHO's efforts to translate scientific discoveries into public health policies, particularly in the three WHO flagship initiatives to combat cervical, breast and childhood cancers. The support of Member States through investment in research and policy implementation was crucial for further success. WHO and IARC had concluded a joint workplan which included strengthening of cancer surveillance under the Global Initiative for Cancer Registry

Development; a progress report would be presented to Member States in early 2025. Joint research projects were also planned, especially in the area of cervical and other reproductive system cancers.

On behalf of the Governing Council, the CHAIR thanked Dr Mikkelsen for her statement and welcomed the close cooperation between WHO and IARC.

3. DIRECTOR'S REPORT: Item 12 of the Agenda ([Document GC/65/2](#))

The SECRETARY, illustrating her remarks with slides, presented her Director's Report, covering major scientific highlights, collaboration with WHO including the new WHO Academy, and the Agency's use of the WHO Framework of Engagement with Non-State Actors (FENSA), as well as the successful move to the new IARC headquarters, the Nouveau Centre. A short video was shown to illustrate a number of scientific breakthroughs.

She gave details of a number of Agency research projects that contributed to the WHO flagship cancer initiatives, including the African Breast Cancer–Disparities in Outcomes study, covering over 2200 women in sub-Saharan Africa, and a study of increased poverty rates among children whose mothers had died from breast or cervical cancer, accounting for 45% of the one million maternal orphans, of whom a large majority lived in Asia and Africa.

Also in respect of cervical cancer, 172 of 185 countries studied had recorded a higher cervical cancer incidence than the target laid down in the WHO Global Cervical Cancer Elimination Initiative. Cervical cancer mortality in the WHO European Region was largely driven by mortality rates in groups with a lower level of education. On a more positive note, however, the single-dose vaccination regimen against human papillomavirus (HPV) in India had been shown to produce immunity that was twice as high as that afforded by natural HPV infection.

Turning to publications, she noted that four further volumes in the WHO Classification of Tumours ("Blue Books") series had been published in 2022, as well as the Blue Books Expert Selection app, intended to facilitate the selection of experts for scientific tasks and meetings. Volumes 129 to 131 of the IARC Monographs series had also been published, dealing respectively with dyes; industrial solvents; and cobalt, antimony compounds and weapons-grade tungsten alloy. The findings of a further Monograph meeting, which had classified occupational exposure as a firefighter as carcinogenic, would be published soon. In the Handbooks of Cancer Prevention series, Vol. 19 on oral cancer prevention and Vol. 20 on reduction of alcohol consumption were scheduled for publication in 2023. A total of 406 peer-reviewed publications had been published in 2022, 94% of them involving international collaborators, with an h-index citation score of 12.

In 2022, the Agency had played host to 195 early-career and visiting scientists, of whom 81 were new arrivals. A number of postdoctoral fellows from low- and middle-income countries would be appointed when the Agency's budget for the coming year had been finalized. Two postdoctoral fellowships had been funded by the Mark Foundation for Cancer Research, and two further fellowships by Children with Cancer UK. Twenty-six training courses and webinars had been organized, principally aimed at low- and middle-income countries and delivered online. IARC had launched a self-paced learning programme on cancer prevention and early detection and a training toolkit on the

World Cancer Report Updates Learning Platform and had established the first regional learning centre in China. A total of 1485 new user accounts had been created on the IARC Learning Portal.

The workplan between IARC and WHO laid down the principles for collaboration on each of the three WHO flagship initiatives on cancer – breast, cervical and childhood cancers – covering IARC contributions to each initiative, co-designed research projects and governance mechanisms. IARC would also support relevant programmes delivered by the new WHO Academy; in due course, all the Agency's self-paced learning activities would be transferred to the Academy's Learning Experience Platform.

The standard operating procedure concluded by IARC and WHO on coordination and communication mechanisms in the assessment of hazards and risks would be revised during 2023, and the updated version submitted for approval by the Governing Council in May 2024. IARC had concluded five new memorandums of understanding with national cancer centres and renewed three further ones; three new memorandums were in the pipeline. Three new collaborating centres had been appointed under the Global Initiative for Cancer Registry Development, in Côte d'Ivoire, Kenya and South Africa.

IARC continued to refine its data protection procedures in collaboration with WHO headquarters. A Data Protection Officer was in post, and annual data protection awareness training was mandatory for all staff. The Data Protection Policy, issued in 2021, was shared with all collaborators. Solutions had been found for secure data-sharing with many collaborators, and negotiations with the European Commission and other partners were continuing on a long-term solution to simplify data-sharing with collaborators outside the European Union.

Resource mobilization efforts were concentrated in four main areas: a potential increase in assessed contributions and/or recruitment of new Participating States; an increase in direct and flexible funding, including projects in low- and middle-income countries funded from official development assistance or international development agencies; innovative resource mobilization strategies for the Nouveau Centre fundraising campaign; and an increase in voluntary contributions. In direct funding, 123 contracts attributable to IARC had been signed in 2022 with a total value of €24.4 million. The European Commission now accounted for 30% of direct grants and contracts, with 12 agreements for a total value of over €7 million.

WHO and IARC followed a dual-level approach in their implementation of FENSA, namely a simplified due diligence procedure, applied by IARC to 430 out of 914 non-State actors in 2022, and the full standard procedure, which had not been used in 2022.

Turning to personnel matters, she noted that the current staff of the Agency numbered 351, including 119 early-career and visiting scientists; 154 of those posts were funded from the regular budget. A total of 43% of the staff were employed at professional or higher grades, and 57% of professional staff were women, although women were still underrepresented at grade P5. Many actions were taken by the Equity and Diversity Advisory Group (EDAG) in 2022, including the launch of the IARC equity, diversity and inclusion strategy and action plan and the award of the inaugural IARC Award for Women in Cancer Research to Professor Cristina Stefan, Director of the Institute of Global Health Equity Research in Kigali, Rwanda. Elections to the IARC Staff Association Committee were currently under way; pending the election of a new committee, the WHO headquarters Staff Association had

participated in IARC staff selection committees and WHO had organized an information session on the role of the Staff Association.

In closing, she paid tribute to the memory of Dr Peter Boyle, Director of the Agency from 2004 to 2008, who had passed away in July 2022. An obituary had been posted on the IARC website, accompanied by an electronic book of condolences. Another prominent Agency scientist, Dr Massimo Tommasino, had also passed away, in December 2022.

Dr NAKAGAMA (Japan), noting that his country had been a Participating State of IARC for 50 years, commended the Director on IARC's increased collaboration with WHO and the International Atomic Energy Agency. He called for careful coordination and communication of the findings of the evaluation of aspartame under the IARC Monographs programme and the associated risk assessment by the Joint WHO/FAO Expert Committee on Food Additives.

Mr EXERTIER (Consultant, Office of the Director), replying to a question asked by Professor DURBEEJ-HJALT (Sweden), described the four categories of key performance indicators that would be used to evaluate the current IARC Medium-Term Strategy in 2024 and inform the development of the next medium-term strategy from 2025. The key performance indicators were classified into inputs (human, financial and other resources); outputs (e.g. publications, training courses); outcomes (e.g. information dissemination, capacity-building activities, open science); and impact (e.g. influence over WHO activities, prevention policies and clinical practice). A detailed bibliometric study would also be conducted.

Ms BERGER (Head, Learning and Capacity-Building), replying to a further question from Professor DURBEEJ-HJALT (Sweden), said that the number of postdoctoral posts funded by the individual research branches had increased, but the number of fellowships funded from the regular budget had decreased.

Ms GONZALEZ (United States of America) congratulated the Director on her re-election and commended the dedication of her staff. She particularly welcomed the Agency's work in prevention research in low- and middle-income countries and its collaboration with the Joint WHO/FAO Expert Committee on Food Additives on the forthcoming review of aspartame, which she trusted would be balanced and based on sound scientific evidence.

The SECRETARY noted that, in the light of new evidence, the review of aspartame had been deemed a high priority by both IARC and the Joint WHO/FAO Expert Committee on Food Additives (JECFA). IARC would consider the degree of carcinogenic hazard posed by aspartame in June 2023, followed by an overall risk assessment and recommendations relating to daily intake from the JECFA in early July.

Ms SCHUBAUER-BERIGAN (Deputy Head, Evidence Synthesis and Classification), replying to a question asked by the CHAIR in his personal capacity, confirmed that vitamin B12, which contained cobalt, had been explicitly excluded from the evaluation recently published in Vol. 131 of the Monographs series.

Dr BRAY (Head, Cancer Surveillance), replying to a question asked by Dr BELAKHEL (Morocco), said that the regional cancer registry hubs were intended to create and sustain local expertise. The three collaborating centres established under the Global Initiative for Cancer Registry Development specialized, respectively, in support for francophone cancer registries (Côte d'Ivoire), education and training for anglophone countries (Kenya) and population-based cancer registries and childhood cancer (South Africa). The cancer registry in Casablanca, Morocco provided invaluable support for francophone countries in the area covered by the regional hub for northern Africa and central and western Asia.

Professor Jie HE (China) thanked the Secretariat for its support in the preparation of its primary prevention initiative, the China Code Against Cancer. His country looked forward to contributing to regional capacity-building through the IARC-National Cancer Centre China Learning Centre.

Dr Fei-Fei LIU (Canada) welcomed the closer collaboration between IARC and WHO, particularly in the effective coordination of evaluations of hazard and risk. She welcomed the Secretariat's efforts to increase gender equity among the staff but noted with concern the persistent low proportion of women in P5 posts. The impact of the COVID-19 pandemic on female staff also warranted investigation.

Dr VAN DEN BULCKE (Belgium) welcomed IARC's work on ultra-processed foods but drew attention to potential conflicts of interests; strict compliance with FENSA would be particularly important. Belgium would prioritize primary cancer prevention during its Presidency of the Council of the European Union in the first half of 2024. A new initiative on prevention of noncommunicable diseases, including cancer, would be launched in 2024, focusing on health in all policies and identification of high-risk groups.

Dr Min Won LEE (Republic of Korea) congratulated the Director on her re-election and looked forward to further collaboration with IARC.

Dr SALAKHOV (Russian Federation) particularly welcomed the evidence provided by IARC on the effectiveness at both individual and population level, as well as the cost-effectiveness, of HPV vaccination, which was currently being introduced into the vaccination regime of his country. IARC's work on the potential carcinogenicity of food additives was also most valuable from an individual, population and commercial perspective.

The RAPPORTEUR read out the following draft resolution, entitled "Director's Report" (GC/65/R2):

The Governing Council,

Having reviewed the Director's Report ([Document GC/65/2](#)),

1. THANKS the Director for the Report and for the Key Performance Indicators (KPIs) provided therein;
2. NOTES with satisfaction the continued efforts made towards further strengthening coordination and communication between IARC and WHO;
3. THANKS the Secretariat for its report on IARC engagement under the Framework of Engagement with Non-State Actors (FENSA) as part of the Director's Report, in accordance with [Resolution GC/60/R17](#);

Recalling its [Resolution GC/64/R2](#) in which it noted that, in support of the IARC Medium-Term Strategy for 2021–2025, the Director would make partial use of the unbudgeted assessments of new Participating States in the biennium 2022–2023 towards IARC’s participation in WHO’s new Business Management System project, and to further strengthen IARC’s data protection framework and scientific data management systems,

4. THANKS the Director for her report on the use of these funds; and
5. EXPRESSES its satisfaction with the Director’s written and oral Reports.

The resolution was **adopted**.

The RAPPORTEUR read out the following draft resolution, entitled “Death of Dr Peter Boyle, former IARC Director” (GC/65/R3):

The Governing Council,
Having taken note of the death of Dr Peter Boyle, former IARC Director,
EXPRESSES its deep regret at the death of this internationally renowned researcher and its gratitude for his commitment to expanding the role of IARC in cancer research for cancer prevention during his directorship, from 2004 to 2008.

The resolution was **adopted**.

4. **REPORT OF THE FIFTY-NINTH SESSION OF THE SCIENTIFIC COUNCIL: Item 13 of the Agenda ([Document GC/65/5](#))**
5. **DIRECTOR’S RESPONSE TO RECOMMENDATIONS FROM THE FIFTY-NINTH SESSION OF THE SCIENTIFIC COUNCIL: Item 14 of the Agenda ([Document GC/65/6](#))**

Dr INOUE (Chairperson, Scientific Council), illustrating her remarks with slides, presented the report of the 59th session of the Scientific Council, which had been held remotely from 8 to 10 February 2023 (see document GC/65/5). A short video was shown, in which members of the Scientific Council commended the work of IARC.

In its discussion on the Director’s Report, the Scientific Council had commended the restructuring of the Secretariat in line with the Medium-Term Strategy and the new mechanisms for communication of research findings and had welcomed the increased coordination and collaboration between IARC and WHO. It had further welcomed the Agency’s success in obtaining external research funding but had stressed that that success should not be used to justify reductions in the regular budget.

In a closed session with the Director and the Director of Administration and Finance, the Scientific Council had commended the work of the Equity and Diversity Advisory Group, recommending, however, that more effort should be made to encourage a more equal gender balance at senior leadership level and consider disparities in terms of minority and ethnic groups.

The Scientific Council had congratulated the Director and her staff on the successful move to the Nouveau Centre and their highly efficient resource mobilization efforts, as well as the progress made in the COVID-19 and Cancer initiative.

Two members of the Scientific Council, Dr Ravi Mehrotra (India) and Dr Luis Felipe Ribeiro Pinto (Brazil) had been appointed to the Editorial Board of the IARC cross-cutting Working Group on Cancer Prevention Knowledge Translation and Transfer. The Scientific Council had recommended the creation of a communications strategy coordinated with WHO going beyond the IARC Evidence Summary Briefs currently issued by the Working Group.

The Scientific Council had expressed its appreciation of the brief “flash talk” presentations it had viewed in December 2022. In the light of members’ comments, the Secretariat had suggested that Branch Heads should record a video summarizing the branch’s activities and the reasons why specific projects had been selected for the flash talks. A dedicated poster session would be held at the in-person session of the Scientific Council in February 2024.

The Scientific Council had noted with appreciation the Director’s response to the reviews of the Cancer Surveillance Branch and the Environment and Lifestyle Epidemiology Branch in 2022. The review undertaken in 2023, of the Nutrition and Metabolism Branch, had assessed both the past performance and the future plans of the branch as outstanding and as a perfect fit with the IARC Medium-Term Strategy. The review panel had been impressed by the innovative and productive research programmes, the state-of-the-art laboratory facilities and statistical methods and the collaborative and supportive research environment.

In 2024, the Evidence Synthesis and Classification Branch would be reviewed by a panel comprising Dr Marc Arbyn (Belgium), Dr Marie-Elise Parent (Canada – Chair of the panel) and Dr Luis Felipe Ribeiro Pinto (Brazil). The review would take place remotely on 22–26 January 2024.

The Scientific Council had expressed its unqualified support for the proposed programme and budget for 2024–2025, in the amount of €51.12 million. However, it remained deeply concerned about the financial constraints facing the Agency after more than a decade of zero nominal growth in the budget. It suggested that the Secretariat should prepare detailed arguments showing the benefits and added value of its research, tailored to individual countries or regions.

Dr Inoue noted that she had been re-elected as Chairperson for 2024, with Dr Luis Felipe Ribeiro Pinto (Brazil) as her Vice-Chairperson. The sixtieth session of the Scientific Council would take place, in person, on 7–9 February 2024.

The SECRETARY, responding to the report of the Scientific Council and illustrating her remarks with slides, outlined the Secretariat’s efforts to improve gender equity and diversity in the senior management (see document GC/65/6). Female staff accounted for 54% of deputy branch heads, 50% of leaders of IARC teams, and 100% of leaders of teams related to the WHO flagship cancer initiatives.

She thanked the Scientific Council for its support for the proposed programme budget and for its positive review of the Nutrition and Metabolism Branch. The ongoing budget restrictions had adversely affected both the Agency’s scientific programme and the morale of the staff, as well as staff

recruitment and retention. Key arguments tailored to specific Participating States had been developed in line with the Scientific Council's suggestion and sent to Scientific Council members in February 2023.

Replying to a question asked by Dr PALMER (United Kingdom of Great Britain and Northern Ireland), she said that the scope for increasing extrabudgetary research funding, which now exceeded the regular budget, was fast reaching its limits. She was particularly concerned about the potential effects on the Global Initiative for Cancer Registry Development and the imbalance between research on cancer and nutrition, which had attracted a high level of extrabudgetary funding, and cancer survival research.

Professor KEEFE (Australia), noting that the proposed programme budget provided for an increase in real terms, encouraged the Secretariat to pursue further cost efficiencies, focus on its stated priority activities and redeploy funds from lower-priority activities where appropriate.

Ms Xin HUANG (China) commended IARC on its achievements and urged the Secretariat to focus on cancer research and implementation in low- and middle-income countries.

Ms GONZALEZ (United States of America) welcomed the Scientific Council's conclusions and recommendations. In particular, team leaders should have earmarked time set aside for writing, mentoring, research funding applications and determining optimum research priorities in the light of funding constraints.

The RAPPORTEUR read out the following draft resolution entitled "Report of the Scientific Council" (GC/65/R7):

The Governing Council,

Having reviewed the Report presented by the Fifty-ninth Scientific Council ([Document GC/65/5](#)) and the Director's response ([Document GC/65/6](#)),

1. NOTES the Report (Document GC/65/5) with great interest;
2. CONGRATULATES the members of the Scientific Council for their supportive and excellent work; and
3. COMMENDS the Director for her constructive responses to the recommendations of the Fifty-ninth Session of the Scientific Council.

The resolution was **adopted**.

6. ANNUAL FINANCIAL REPORT, REPORT OF THE EXTERNAL AUDITOR AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022: Item 15 of the Agenda ([Document GC/65/7](#))

Ms DHILLON (Director of External Audit (WHO)), participating remotely, said that the financial statements of IARC, which comprised the financial position at 31 December 2022, the statement of financial performance, the statement of changes in net assets/equity, the statement of cash flows and the statement of comparison of budget and actual amounts, as well as the notes to the financial

statements, had been found to be in accordance with International Public Sector Accounting Standards (IPSAS). The audit had included an examination of financial systems and internal controls and a test check of the accounting records and other supporting evidence to the extent that was considered necessary to form an opinion on the financial statements. The audit had been conducted in accordance with IPSAS by the External Auditor in an independent capacity and in line with appropriate ethical standards. The evidence obtained was sufficient and appropriate to provide a basis for the opinion. The objectives of the audit were primarily to establish that the financial statements provided a reasonable assurance and reflected a true and fair picture of IARC's operations. The audit had established that internal controls were adequate and effective; accounting policies were consistent, and that transactions and activities were in compliance with financial rules and regulations.

There was one major observation concerning the lease for the new building, which was a finance lease under which, although the asset itself was not owned by IARC, all of the risks and rewards of operating the building were transferred to the Agency. In accordance with IPSAS, the Agency had agreed to present the lease as a finance lease from the next financial year.

Progress had been made in addressing observations from the previous year on the IT systems, the business continuity plan and disaster recovery management. With respect to security, IARC had given an undertaking that sensitive personal identifier information would be subject to multifactor identification and the recommendation on that issue had therefore been closed. With respect to the business continuity plan and disaster recovery management, including mitigation of data security risks, it was noted that the new building structure had four structurally independent quadrants which had been dimensioned to support earthquakes without collapsing. New operating security standards were in place with one quadrant acting as a back-up for another and data centres were sited in two separate quadrants that were disconnected from each other. In addition, the virtual infrastructure currently comprised virtual clusters and independent data centres. Therefore, the recommendation in connection with that topic had also been closed. Based on the information provided, the External Auditor had been able to give an unqualified opinion for the financial year 2022.

Ms IZAGUIRRE (Canada) was pleased to note that the External Auditor had once again provided an unqualified opinion on the financial statements of IARC. It was encouraging that IARC had reported a surplus for 2022, partly due to the substantive increase in voluntary contributions. Canada applauded IARC's successful resource mobilization efforts with the increased revenue attesting to the Agency's expertise and reputation. Canada had consistently raised concerns about the long-term liabilities related to the After-Service Health Insurance (ASHI) and was pleased to note that, for the second consecutive year, the unfunded ASHI liabilities had decreased. It was important to note however that the amounts varied based on currency rates and fluctuations that were beyond IARC's control. While recognizing that the issue also affected other United Nations agencies and that the liabilities were long-term and did not need to be funded in the immediate future, the issue remained critical and should continue to receive attention. Canada noted with satisfaction that no significant issues had been identified in 2022, that the number of identified risks had declined since 2021 and that the move to the Nouveau Centre was anticipated to eliminate or alleviate at least two more risks over the coming year; Canada welcomed the Agency's efforts to identify proposed actions to mitigate and address those risks. It was pleasing to note that the rate of collection of assessed contributions for

2022 was higher compared with the previous year and that Participating States were doing their best to meet their commitments in the face of global challenges. Canada continued to encourage Participating States to pay their assessed contributions on time and in full in order to keep supporting the Agency's financial health and its ability to deliver its scientific programme.

Mr TARUTIN (Russian Federation) noted that there had been a deficit in the Agency's accounts at the end of 2021 and that the improvement in the financial situation of IARC in 2022 had been assisted by a significant increase in the discount rates and a corresponding decrease in the unfunded liability of ASHI. He requested information further to that provided in paragraph 23 of the financial report (document GC/65/7) concerning the specific measures taken to fund the ASHI liabilities. He welcomed the Statement on Internal Control set out in the report and asked whether it had been assessed by the External Auditor. He was aware of discussion within United Nations bodies on standard IPSAS 41 on financial instruments which would replace standard 29 and asked whether there had been discussion within IARC on adoption of the new standard. He further wished to know whether the Secretariat had reviewed its investment policy in order to diversify its assets portfolio.

Dr LANDESZ (Director of Administration and Finance), addressing concerns on the long-term ASHI liabilities, said that IARC was a member of the Staff Health Insurance Global Oversight Committee (SHI/GOC) which was chaired by a WHO Assistant Director-General, and the Agency had followed the same approach as WHO, its regional offices, UNAIDS and others in order to resolve what had become a complex issue. Since the adoption of IPSAS, the long-term liabilities had been shown in a different way, resulting in a negative balance that would be closed over a number of years. The exact length of time it would take to eliminate the liability was dependent on discount rates and other external factors that could not be quantified with precision: the current projection was that the funding gap would be closed in full within 10–15 years. A new projection was issued each year based on actuarial calculations. The funding gap was being followed closely but was not a matter of operational concern.

Ms MEHTA (Administration and Finance Officer), addressing the questions raised by the Russian Federation, confirmed that the ASHI unfunded liability gap would be closed in accordance with the plan adopted by WHO. Cost containment measures were regularly employed at IARC with checks on expenditure, while staff were encouraged to use economical facilities and services so that the liability of SHI expenditure could be reduced. The SHI contribution trend for staff as well as the Agency was maintained in order to reduce the liability. IARC did not have a strict investment policy because the amount of reserves it held was very small, but some deposits were held with banks, in accordance with IARC financial policy, and earned a reasonable rate of interest.

Ms DHILLON (Director of External Audit (WHO)) said that the External Audit comprised an audit of the financial statements as well as compliance checks and a performance audit. With respect to sources of financing, all agreements were examined, as well as timely receipt and correct booking of payments. Investments made directly by IARC and those handled by WHO were checked. Two performance audits were carried out for WHO each year and further performance audits could be conducted at IARC upon request.

Ms GONZALEZ (United States of America) was pleased to note that the External Auditor had returned an unqualified opinion and that IARC's financial situation had improved, reaching a positive balance with net assets, even after accounting for the long-term ASHI liabilities. She asked why the utilization rate of 86% for 2022 was so low and whether it had been due to the large increase in voluntary contributions.

Dr LANDESZ (Director of Administration and Finance), referring to the 2022 utilization rate, said that the budget was managed on a biennial basis with 2022 being the first year of the biennium: it was intended to reach the full utilization rate of 100% by the end of 2023. Some funds had been held back until after the move so that they could be utilized once it had been possible to assess what the costs of the new building would be.

Mr IFLAND (Germany) noted that almost 92% of assessed contributions had been received, leaving a shortfall of some €3 million. He wished to know what IARC was doing to increase the collection rate for assessed contributions.

Ms MEHTA (Administration and Finance Officer) said that regular reminders were sent out to Participating States concerning the collection of assessed contributions. The gap remaining in assessed contributions was almost all due to one Participating State.

The RAPPORTEUR read out the following draft resolution, entitled "Annual Financial Report, Report of the External Auditor and Financial Statements for the year ended 31 December 2022" (GC/65/R8):

The Governing Council,

Having examined [Document GC/65/7](#) "Annual Financial Report, Report of the External Auditor and Financial Statements for the year ended 31 December 2022",

1. THANKS the External Auditor for their Report and "unqualified" audit opinion; and
2. APPROVES the Report of the Director on the financial operations of the Agency.

The resolution was **adopted**.

7. BIENNIAL REPORT OF THE IARC ETHICS COMMITTEE (IEC), 2021–2022: Item 16 of the Agenda ([Document GC/65/8](#))

Professor AL-HOMOUD (Chair, IARC Ethics Committee) thanked the Director for her support and all of the members of the IARC Ethics Committee (IEC) for their strong commitment in evaluating and approving an increased number of projects in between Committee meetings.

The RAPPORTEUR read out the following draft resolution, entitled “Biennial Report of the IARC Ethics Committee, 2021–2022” (GC/65/R9):

The Governing Council,

Having examined the Biennial Report of the IARC Ethics Committee 2021–2022, as contained in [Document GC/65/8](#),

1. WELCOMES the Biennial Report of the IARC Ethics Committee 2021–2022; and
2. REQUESTS the Director to continue reporting biennially on issues related to ethics at the Agency.

The resolution was **adopted**.

The meeting rose at 13:00.