

# STCU

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# УНТЦ

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To: All Parties

## Executive Director's Report NOVEMBER 1996

(Please refer to preceding monthly reports for previous activities.)

NOTE: Emphasis is mostly on "changes" from previous report period.

NOTE: We are now back to our normal, regular monthly report..

### 1. *STARTUP*

#### 1.1 Facilities

- 1.1.1 Work on third floor (roof) addition began week of November 11.
- 1.1.2 Replaced original very low quality windows with modern clad aluminum dual-pane windows manufactured in Ukraine.
- 1.1.3 After applying some non-standard techniques, we did manage to finally receive the monitors we had ordered locally to replace the inappropriate ones previously shipped from the USA

#### 1.2 Staffing

- 1.2.1 A new project officer scientist was hired for Dr. A.DuCharme's group. Another good candidate has been identified.
- 1.2.2 A contract was offered to an experienced financial officer (who had previous extensive similar experience at the ISTC) to join Bill Luke's financial team. Proposed start date in 1997.
- 1.2.7 We are continuing the search for a good executive secretary/office manager for the Executive Director.

#### 1.3 Operating Systems/Procedures

- 1.3.1 A better and clearer "Project Proposal Form and Instructions" has been finalized. This is a high quality update of what we had originally and reflects the experience gained. The new form is practically a self-guiding one and should eliminate many unnecessary questions and problems in the proposal preparation stages.
- 1.3.4 A procurement/payment policy was developed in order to minimize unnecessary work and confrontations and ensure proper procurement documentation.

## 1.4. Staff Training

- 1.4.1 In-house technical staff meetings are being held weekly by our deputy directors for project management staff and affected financial staff.
- 1.4.2 Regular English lessons for all of our staff, as well as local language lessons for A. DuCharme and W. Luke, are continuing in house.
- 1.4.3 Borys Atamanenko is taking, private tutoring classes in English.
- 1.4.4 We rotate our project and financial staff on monitoring missions to use Dr. DuCharme experience in this area for training purposes.
- 1.4.5 On 01 Dec 96, our CFO, W. Luke will travel to Wiesbaden to discuss with our auditors. He will take with him one of his staff members for training and exposure to "Western" environments. We believe this to be an excellent initiative helping in the "conversion" of our own staff.

## 2. OPERATIONS

### 2.1 Project Proposals

- 2.1.1 We are still not accepting any new proposals at this time.
- 2.1.2 The newly developed Project Submission Forms and Instructions now allows us to proceed with the Second Call for Proposals scheduled to appear on 05 Dec 96 in the Government Courier (the official newspaper of the Government of Ukraine). The window to be offered in this CFP is from 16 Dec 96 to 28 Feb 97.
- 2.1.3 To support this forthcoming CFP, a major article on the STCU and its support of Ukrainian scientists, with real examples, appeared 26 Nov 96 in that same newspaper.
- 2.1.4 Another article, by F. Janouch, has appeared is "Zerkalo Nedili" , (the local Sunday Mirror - equivalent newspaper).
- 2.1.5 Funding of Joint STCU/ISTC Projects: During the summer, the exec. directors of the ISTC and STCU developed a draft Memorandum of Understanding between the two centers regarding possible funding mechanisms of joint ISTC/STCU projects, i.e. where institutes in Russia and in Ukraine are involved. This has been discussed several times at the ISTC Board level and recently the ISTC approved such a general document. We intend to raise this topic at the Dec 96 Board 3 Meeting to allow us to continue this effort. (We already have several such projects waiting in the wings).

### 2.2 Project Proposal Screening

- 2.2.1 Our project staff is continuing proposal screening.
- 2.2.2 All new projects sent out are now accompanied by a detailed cover letter/sheet that should significantly aid the Western review process.
- 2.2.3 We continue to have relatively good cooperation from State security which seems to release projects in a regular, manageable manner. We hope this cooperation will continue.

2.2.4 At the present rate of processing (greatly affected by the quite onerous job of developing and signing Project Agreements for projects that were approved for financing) it seems that we will handle most outstanding proposals from the first CFP by May 1997. This is still in line with my original projections.

2.2.5 Overall Status (Pipeline) of STCU Projects as of 30 Nov 96:

**PROJECT PIPELINE as of 30 November 1996**

164	Total # Projects sent for External Donor Review to-date (30 for Board # 1, 62 for Board # 2, totalling 92, plus 72 for consideration at Board # 3 scheduled for 12-13 December 1996 (actually 75 were sent, since 3 additional "rewrite & resubmit" projects coming from the previous Boards were also sent out for a second look).
74	# Projects with Security Clearance being reviewed internally at the STCU, many ready shortly to be sent for external review for Board # 4 slated for May 1997.
64	# Projects at Ukrainian State Security Committees (13 at State Security, 19 at Committee on Export of Technical Information, 32 at Committee on Science and Technology - i.e. at new Ministry of Science.)
----- 312	# Projects received, STCU-reviewed, sent out, or in "Security"
34	# Short form Projects in Security Committees Review (These projects were never fleshed out to full form and thus are NOT considered part of the project pipeline)
----- 346	# Total of Projects Received during First CFP.

## STATISTICS RE PROJECTS REVIEWED AND FUNDED, 30.11.96

### BOARD #1

30	# Projects reviewed at Board Meeting
12	# Projects accepted for funding
1	# Special Canadian Cooperative Travel Grant project
12	# Contracts signed out of these 12
12	# Projects/Contracts out of these 12 actually being financed

### BOARD #2

62	# Projects sent for donor review.
36	# Projects accepted for funding
1	# Special Swedish Cooperative Travel Grant project
36	# Contracts signed out of the 36 approved
35	# Projects/Contracts out of these 36 actually being financed
1	# Approved projects still to have financing started
4	# Special Canadian. Cooperative Project Grants approved
1	# Special Swedish Cooperative Project Grants approved.

### TOTALS

92	# Projects reviewed
49	# Projects approved
2	Special Canadian and Swedish project travel grant projects approved
49	# Projects Agreements signed
37	# Projects actually being financed
950	# Scientists being supported

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26	# Unofficial short form projects with temporary "T" designations that we have, but have NOT accepted as projects because we have had no second CFP. They will enter the normal stream ONLY after the second Call for Proposals and after they receive clearance from the Ukrainian authorities.
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## 2.3 Board Meetings

- 2.3.1. None were held during during this period.
- 2.3.2 The total number of projects approved for funding still stands at 49.
- 2.3.3 The total funding committed to-date stands at approximately US \$6,100,000.00
- 2.3.4 The total number of scientists that will be supported stands at about 950 to-date

- 2.3.5 All 48 projects approved at the first two Board Meetings are signed, 47 are being funded; the funding of the last one is awaiting transfer of moneys from one funding party.
- 2.3.6 We are trying to reutilize some of the projects that have received high scientific evaluations but were not funded for other reasons.
- 2.3.7 Board Meeting #3 is scheduled for the week of 9-14 Dec 96 as follows:
- |            |   |
|------------|---|
| Mon 09 Dec | unassigned day                              |
| Tue 10 Dec | project selection session                   |
| Wed 11 Dec | management advisory committee               |
| Thu 12 Dec | Board Meeting; possible project visits p.m. |
| Fri 13 Dec | Board Meeting, project approvals            |
| Sat 14 Dec | Mini STCU Strategy Meeting, Kyiv.           |
- 2.3.8 Observer status invitations have been issued to EC and Japan. No response has, as yet, been received
- 2.3.9 We have been informed that Mr. Emil Baran, Embassy of Canada in Ukraine, has been appointed Member of the STCU's Board of Governors, representing Canada. Mr. Baran replaces Prof. Wasyl Janischewsky of the University of Toronto. Mr. Baran brings a wealth of international development experience with him and his thoroughly familiar with the STCU, having been our main point of contact at the Canadian Embassy. We welcome him and look forward to working with him for the good of the program.
- 2.3.10 We, at the Center, would like to express our sincerest thanks to Prof. Wasyl Janischewsky who represented Canada on the STCU's Board during the STCU's very difficult and complex first two years of existence. We appreciated his thoroughness and carefully thought out support as well as his pointed, yet positive, criticisms. We wish him well and hope to work with him professionally again.

## 2.5 Collection/Disbursements

- 2.5.1 Project funding is proceeding normally.
- 2.5.2 We are disbursing at an average rate of \$15,000 USA per day.
- 2.5.3 We are very pleased to advise that we were successful in obtaining 130,000 hryvnias (US \$60,000.00) from the Government of Ukraine as part of its 1996 contribution to the Centre. This money was, as specified in our Agreement, applied towards the lease, security and maintenance costs of our facilities.
- 2.5.4 This means that the Government of Ukraine has now contributed a total of US \$ 100,000 equivalent for 1996 (\$40,000 equivalent paid previously). According to budgetary data, another 80,000 hr (\$42,000) should still be forthcoming.
- 2.5.5 As of 30 Nov 96, Canada has not yet delivered its share of allocated funds to approved projects. We would like to underline the importance of sending approved funding quickly, as delays cause the STCU very serious difficulties and loss of credibility.

## 2.6 Project Monitoring

- 2.6.1 We have carried our second monitoring mission: this one to a project in Kyiv. The mission went off very successfully. We used it as an excellent training occasion for our staff.
- 2.6.2 We have developed a draft staff loading/assignment planning for monitoring missions due in 1997.
- 2.6.3 We repeat the comments of our last report regarding the Dnipropetrovsk monitoring mission to the "Thermobore" Project which pointed out the urgent need for the funding Parties to address the issue of "continuation" of a project that received only initial funding for a technology demonstration effort, and was essentially promised continuation if this initial phase was successful.
- 2.6.4 The next monitoring mission is scheduled for 3-6 Dec 96 in Kharkiv. The team will use the opportunity to evaluate possible locations for our proposed representational office in that city. It is also planned to hold a series of seminars on submission of projects to the STCU and present our new application forms and instructions. This will be right in step with the new CFP due out during that same time.

## 3.0 STCU PROMOTION

- 3.1.1 The executive staff of the Secretariat is continuously involved in a great variety of promotional activities.
- 3.1.2 Please refer to publications about the Center as listed in 2.1.3 & 2.1.4
- 3.1.3 The STCU completed production of the promised videotape program on Ukrainian Science and Technology. This video is available in English and in Ukrainian in two versions: one, a short 12 min promotional video suitable for meetings, repeated show running, industrial gatherings; the second, a 30 min version is more suitable for regular TV programming or special, organized presentations. We plan to make copies of this program widely available at no charge to be used for promotion of Ukrainian science and technology as well as advertise the STCU's efforts. Efforts are already under way for airing on several TV networks in North America and Ukraine.
- 3.1.4 A TV interview on the subject of Western aid to Ukrainian science and technology with specific emphasis on the STCU will be taped on Tuesday 10 Dec 96 at the STCU.
- 3.1.5 Presentations were given by the Executive Director to the entire group of Canadian businessmen participating in a trade mission to Ukraine and led by Hon. Lloyd Axworthy, Minister of External Affairs and International Trade, regarding opportunities in using Ukrainian scientific expertise. Additional presentations were made by Center staff to the chair of the Canada-Ukraine committee of the Congress of Canadian Ukrainians. Mr. Ted Speers participated in the Trade mission on behalf of the STCU in order to sensitize the Minister to the importance of the STCU's work and Canada's continued support of this effort, and to promote joint activities between Canadian firms and STCU projects. This is in line with Canadian demand-pull initiatives.

- 3.1.6 Similar efforts were made - at a less formal level - during a trade mission from the Canadian Province of Manitoba, headed by its Minister of Rural Development the Hon. Len Derkach
- 3.1.7 We had the pleasure of meeting our US Embassy contact person, Mr. Scott Thompson who came to visit us with Jim Noble of the Dept. of State, during the first Kuchma-Gore Committee meetings in Kyiv.
- 3.1.8 The executive director participated in conference in Alma Ata, Kazakhstan, organized by the ISTC and the Kazakh Academy of Sciences on the topic of "Conversion of Kazakh Military Science". The Kazakh Nuclear Research Centre was visited and presentations were given about the STCU. As a result of this very useful and interesting series of presentations, it is proposed to hold a similar conference in Ukraine in 1997. A budgetary allocation is sought for this purpose.
- 3.1.9 A front page article about the STCU appeared in the Kazakh "Ukrainski Novynky - Ukrainian News" as a result of an interview with the executive director.
- 3.1.10 Another article/interview on the topic of the STCU appeared earlier in the official newspaper of Bad Fussing, in Bavaria.

#### 4.0 *PLANNING*

- 4.1 A one day Preliminary Planning meeting is still scheduled for Sat 14.12.96 the day after Board Mtg 3 in order to begin addressing possible long-term sustainability and directions for the STCU. Some aspects of this are expected to be discussed at the Advisory Committee Meeting scheduled for Wed 11 Dec 96.
- 4.2 If this planning meeting proves to be useful, a full-fledged Strategic Planning Meeting is planned for Crimea in the Spring of 97, probably close to the Board #4 meeting.
- 4.3 Repeating some comments from our previous report regarding the Management Advisory Committee meeting held in Stockholm, we feel it worth underlining the Canadian position regarding Canada's possible continued contribution to the Center, which ask for a more "demand-pull" orientation - involving Canadian (Western) industrial firms or other organizations. This would be in contrast to the present orientation in which we simply react to ideas generated from the Ukrainian side. This approach is important to CIDA's new directives towards encouraging eventual self-sustainability of projects. In order to help Western & Canadian organizations get to know Ukrainian scientific potentials, the Center was asked to develop a Data Base of Ukrainian scientific institutes and scientists, their capabilities and their interests. This is along the line of the D/B project the STCU had previously submitted. A full set of minutes for that meeting has previously been circulated.
- 4.4 As a result, in order to try to meet Canadian wishes, the Center has launched an "in-house" Scientific Data Base development effort so that a rudimentary data base could be available quickly. Two people were hired, a layout designed, and data on Ukrainian science

institutes as well as on some scientists has and is being gathered. A significant amount of information has already been gathered and entered (Close to 80 institutes). As the material is accumulated, it is forwarded to Canada to assist Gunn & Associates (a Canadian consulting firm hired to help with identifying industrial collaborators) in Ottawa. At the moment we intend to keep this effort in-house and will request a 1997 budgetary allocation for that purpose.

5.0 GENERAL COMMENTS:

- 5.1 There are, at the moment, no major problems with the operation of the STCU. We are undergoing a shakedown because of the influx of a significant number of executive and other staff. We do, however, have things in hand and we see a significant improvement in the quality of our organization and work output.
- 5.2 We have been trying to encourage continued Canadian participation in the support of the STCU project. We believe that there is a good chance of this happening.
- 5.3 Negotiations are under way with Canada, regarding the possible continuation of the present Canadian executive director in that position until the end of 1997. The contract for the position of the Canadian General Administration Officer has been continued until 31 March 97, the end of the Canadian government's fiscal year.
- 5.4 The executive director has indicated the STCU's willingness to participate in a major Canada-Ukraine Trade Exposition scheduled in three Western Canadian Cities: Calgary, Regina and Winnipeg in June 1997. This Exposition is part of the Canadian government supported CUBI - Canada Ukraine Business Initiative. We plan to have a small booth/display to show off Ukrainian R&D opportunities for Canadian firms (using STCU projects as examples).
- 5.5 We feel it would be appropriate for the Canadian government to allocate some support for this specific endeavour.

End of Nov 96 Report

Ostap Hawaleshka  
Executive director

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