

**SCHEDULE AS OF MARCH 29, '16**  
**STCU 42nd GOVERNING BOARD MEETING and 20<sup>th</sup> STCU ANNIVERSARY CELEBRATION**  
Kyiv, Ukraine  
5-6 April, 2016

**Monday the 4th and Tuesday the 5th of April**

Arrival of delegates

**Tuesday the 5th of April**

**STCU 42nd Governing Board Meeting**

*Venue:*

*Ministry of Education and Science*

*Conference-room*

*Taras Shevchenko Boulevard, 16*

**16:00 – 18:00** Start of the 42nd STCU Governing Board

**18:30 21:00** Walk to Informal dinner at Bottega Wine & Tapas, Tereshenkivska 13 (near Shevchenko Park)

**Wednesday the 6th of April**

**STCU 42nd Governing Board Meeting**

*Venue:*

*Ministry of Education and Science*

*Conference-room*

*Taras Shevchenko Boulevard, 16*

**10:00 – 14:00** Continue Meeting of the 42nd STCU Governing Board

**11:30 – 11:45** Coffee break

**11:15 – 13:15** Meeting Concludes

**13:15 – 14:00** **Catered lunch in Ministry of Education and Science**

**STCU 20<sup>th</sup> Anniversary Celebration**

*Venue:*

*Great Hall of the National Academy of Sciences of Ukraine*

*Volodymyrska Street 55*

**14:00 – 14:15** Walk across street from Ministry of Education and Science location to *Great Hall of the National Academy of Sciences of Ukraine*

**14:30 – 17:00** STCU 20<sup>th</sup> Anniversary Celebration (see detailed schedule)

**Thursday the 7th of April**

Departure of delegates

**Friday the 8th of April**

Departure of delegates

**AGENDA**  
**42nd Meeting of the STCU Governing Board**  
**April 5<sup>th</sup> and 6<sup>th</sup>, 2016**  
*Ministry of Education and Science*  
*Taras Shevchenko Boulevard, 16*

**April 5th, 2016 (16:00 – 18:00)**

**1. Opening Session**

- 1.1 Opening Remarks from the GB Chair (Chairman, Governing Board)
- 1.2 Welcome from the Executive Director (Curtis “B.J.” Bjelajac)
- 1.3 Opening Remarks from other GB Members/Invited Guests (GB Members/Other Officials)

**2. Administrative Topics**

- 2.1 Adoption of the Agenda **Tab 1**
- 2.2 Review and Approval of minutes of Oct. 29, '15 teleconference (GB Members) **Tab 2**
- 2.3 Review of Draft Record of Decisions, Project Funding Sheet, and GB Press Release (GB Members) **Tab 3, 4, and 5**
- 2.4 Executive Director Report (Curtis “B.J.” Bjelajac) **Tab 6**

**April 6th, 2016**

**3. Morning Session (10:00 – 11:30)**

- 3.1. Look Ahead to 2017 Budget (Curtis “B.J.” Bjelajac) **Tab 7**
- 3.2. Approval of New Grantee Definition and Eligibility Requirements (Curtis “B.J.” Bjelajac) **Tab 8**
- 3.3. New DOE Targeted Initiatives and SB Line (Curtis “B.J.” Bjelajac) **Tab 9**

**4. Closing Session (11:45 – 13:15)**

- 4.1 Request to Update STCU Financial Regulations (Anthony Nichol) **Tab 10**
- 4.2 Presentation of Draft 2015 Annual Report (if available) (Curtis “B.J.” Bjelajac)
- 4.3 Proposed 43<sup>rd</sup> STCU Governing Board Meeting (Tbilisi, Dec. 8) (GB Members)
- 4.4 Sign 42<sup>nd</sup> GB Record of Decisions and Funding Sheet (GB Members)
- 4.5 Logistics for 20<sup>th</sup> Anniversary Event (Curtis “B.J.” Bjelajac) **Tab 11**
- 4.6 Final Issues/Statements from GB Members (GB Members)
- 4.7 Closing Remarks/Adjournment (Chairman, Governing Board)

**STCU Governing Board 42**  
**5-6 April 2016**  
**List of Participants**

**CHAIR: Mr. Eddie MAIER, European Commission**

**Azerbaijan**

**Ibrahim GULIYEV** Academician and the Vice-President of the Azerbaijan  
National Academy of Sciences  
**Nazim MAMEDOV** Correspondent Member of the Azerbaijan National  
Academy of Sciences

**European Union**

**Sorin POPA** Programme Manager  
European Commission

**Georgia**

**Marine CHITASHVILI** Director General  
Shota Rustaveli National Science Foundation  
**Nikoloz BAKRADZE** Consultant in International Affairs  
Shota Rustaveli National Science Foundation

**Moldova**

**Leonid CULIUC** Academician  
Academy of Sciences of Moldova

**Ukraine**

**Maksym STRIKHA** Board Member  
Deputy Minister  
Ministry of Education and Science of Ukraine  
**Dmytro CHEBERKUS** Head of S&T Department  
Ministry of Education and Science of Ukraine  
**Sofia ZHEREBCHUK** Chief specialist of the Development of S&T  
Infrastructure  
Department of Scientific and Technological  
Development  
Ministry of Education and Science of Ukraine  
**Volodymyr VOLKODAV** Chief Specialist of the Department of Economic  
Cooperation  
Ministry of Foreign Affairs of Ukraine



### United States of America

<b>Simon LIMAGE</b>	Board Member Head of Delegation, Deputy Assistant Secretary of State for International Security and Nonproliferation U.S. Department of State
<b>Ryan TAUGHER</b>	Acting Team Leader Office of Cooperative Threat Reduction U.S. Department of State
<b>Jeffrey Scott WALDO</b>	Office of Cooperative Threat Reduction U.S. Department of State
<b>Andrew HOOD</b>	Director, Strategic Planning and Integration Office of Defense Nuclear Nonproliferation National Nuclear Security Administration U.S. Department of Energy
<b>Regina CARTER</b>	Program Director National Nuclear Security Administration U.S. Department of Energy
<b>Julie MIDDLETON</b>	National Nuclear Security Administration U.S. Department of Energy

### ISTC

<b>Ronald LEHMAN</b>	Chairman of the Governing Board International Science and Technology Center
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### Secretariat STCU

**Curtis "B.J." BJELAJAC**  
**Igor LYTVYNOV**  
**Anthony NICHOL**  
**Olga PANCHENKO**  
**Elena TABERKO**  
**Iryna TOMASHEVSKA**



**Draft Minutes  
AC/GB Teleconference  
October 29, 2015**

**Present:**

**USA:**

Mr. Scott Waldo, International Science Centers, U.S. Department of State (SW)  
Mr. Ryan Taugher, International Science Centers, U.S. Department of State (RT)  
Ms. Kristina Medic, Attorney-Adviser, Office of Non-Proliferation and Arms Control, Office of the Legal Adviser, U.S. Department of State (KM)  
Mr. Andrew Hood, Defense Nuclear Non-Proliferation, U.S. Department of Energy (AH)

**EU:**

Mr. Eddie Maier, Board Member, Deputy Head, Unit B5, DG-DEVCO, European Commission (EM)  
Mr. Sorin Popa, Program Manager, Nuclear Safety, European Commission (SP)

**Ukraine:**

Mr. Maksym Strikha, Board Member, Deputy Minister, Ministry of Education and Science of Ukraine (MS)  
Mr. Dmytro Cheberkus, Head of S&T Department, Ministry of Education and Science of Ukraine (DC)  
Ms. Sofiia Zherebchuk, Chief Specialist of the development of scientific and technical infrastructure of the S&T Department, Ministry of Education and Science of Ukraine (SZ)

**STCU:**

Mr. Curtis Bjelajac, Executive Director (BJ)  
Mr. Igor Lytvynov, Senior Deputy Executive Director (IL)

**1. Approval of October teleconference minutes**

BJ The minutes of the previous meeting held by teleconference were circulated to all parties. Any changes required?

MS No changes on Ukraine's behalf

RC US has no changes in the Minutes

EM EU has no changes

Minutes therefore adopted

## 2. Draft schedule of 41st GBM and 20th Anniversary on Dec. 7, '15

- BJ Highlighted the need to change the draft schedule for the 41st GBM due to recent discussions in Brussels about the ISTC GB schedule, which invariably impact the STCU schedule for the 41st GBM and 20th Anniversary celebration. Recently, the suitability of air carriers between Kyiv and Astana has called into question the US Party's ability to utilize the sole direct flight between Kyiv and Astana. This issue was explained to Deputy Minister Strikha, who expressed his understanding of the situation as well as his support for rescheduling the STCU 20th Anniversary and Governing Board to a date in early 2016. Thus, as of today, the STCU is prepared to move forward with rescheduling these two events.
- RT Thanked BJ for his flexibility and emphasized that the US Party's preference is to postpone the 20th Anniversary celebration to a date in early 2016. Postponing the event would allow the Governing Board to set aside the time required for such an important occasion. Thanked Deputy Minister Strikha for his understanding and flexibility on this issue.
- EM Confirmed that this issue was discussed at the ISTC CEC in Brussels. Emphasized that postponing the STCU 20<sup>th</sup> Anniversary celebration would allow the Parties to ensure the signature of the New ISTC Agreement. As both events (ISTC GB in Astana and STCU GB in Kyiv) were preliminarily scheduled for the same week, the EU preferred to split these two events and postpone the STCU events to early 2016 as all have proposed. This will allow all parties to prepare for the STCU 20th Anniversary celebration in such a manner as to ensure the desired visibility for such an important event.
- BJ Thanked all the Parties for their flexibility and understanding, as it is clear from the previous conversation that all are in support of the proposal to postpone the upcoming STCU 20<sup>th</sup> Anniversary celebration. Suggested the following dates as possible weeks for scheduling the 20<sup>th</sup> Anniversary celebration:
- The second half of February, namely: the weeks of February 22<sup>nd</sup> and 29<sup>th</sup>
  - The second half of March, namely: the weeks of March 14<sup>th</sup> and 21<sup>st</sup>
  - All weeks in April except for the week of April 25<sup>th</sup> (UA will commemorate the 30<sup>th</sup> Anniversary of the Chernobyl accident), namely: the weeks of April 4<sup>th</sup>, 11<sup>th</sup> and 18<sup>th</sup>
- RT Initially confirmed that proposed weeks could work for the US Party. Requested the possibility to consult with Deputy Assistant Secretary Simon Limage (US Board Member).
- EM/SP Not available for the week of February 22<sup>nd</sup> and last week of February. Proposed to schedule GB on the week of March 4<sup>th</sup>.
- BJ Suggested considering different weeks: the weeks of April 4<sup>th</sup>, April 11<sup>th</sup>, and April 18<sup>th</sup>.
- RT Supported the proposed dates. Noted that US would still need to double check with DAS Limage
- EM Confirmed that European Commission is open to the suggested dates in April.

- MS Confirmed that Ukraine will accept any decision of the partners, and will support organization of the celebration in a proper manner.
- EM Asked if GB and Anniversary will be held over the course of two days.
- BJ Noted that it was planned to hold GB and the 20th Anniversary celebration during one day (or day and a half). Thus, there should be ample time to conduct bilateral meetings or any other requested meetings on the sidelines of the GB and 20<sup>th</sup> Anniversary event. Thanked everyone for their flexibility and patience. Emphasized that will start work straight away to reschedule the event in order to ensure a successful event in early 2016.

### 3. Status of requested Statute changes and dip note related to Protocol

- BJ Reminded all that the Government of Ukraine in the July conference calls requested the STCU Governing Board to consider two issues. The first issue was that the French version of the Protocol for the accession of the EU to the STCU Agreement is different from the Ukrainian and English versions. Over the last months, the STCU has worked closely with the US government and its attorneys, whose proposed solution is to modify the French version in order to make it equal to the Ukrainian and English version of the Protocol. Three weeks ago this proposition was forwarded to Deputy Minister Strikha for his consideration.
- MS Noted that in the context of possible ratification of the Protocol by the Government of Ukraine the desired solution for the Ukrainian Party is to change the Ukrainian and English text to match the French text. The Ukrainian Party proposes to discuss this question further at the expert level and organize experts exchange to work in close contact with one another to find proper solution. Deputy Minister Strikha stressed that for the Ukrainian Party the French text was preferred.
- BJ Thanked MS for his comments and asked the US for their thoughts on the Ukrainian Party's position.
- KM Confirmed the US Party's willingness to be engaged in this discussion. Noted that the Government of Ukraine's desired solution (i.e. change the UA and EN to match the French text) is a material change requiring an instrument for correction. However, having said that, the instrument for correction is a pretty straightforward process. Aside from the instrument for correction, there is a policy decision as well as a legal one at the heart of this matter. Defers to the policy experts about policy matters, but is willing to be engaged and participate in any conversation related to policy matters as well as legal ones.
- RT Reiterated the desire to continue to work on a technical level with the Ukrainian experts to resolve this issue. Emphasized the US's preference to use the English and Ukrainian versions of the text and correct the French version, as Kristina noted to do the otherwise may require material changes. Asked if Deputy Minister Strikha could provide any additional background as to why the French version is preferable for the ratification process.
- MS Thanked the US for their comments, highlighted that the only real difference in fact is one word "les membres du personnel gouvernements des parties". In the Ukrainian and English versions, the text refers only to "personnel of the Parties". The Government of Ukraine would like to define the P&I obligations outlined in the Agreement in the strictest of manners and thus provide them only for official representatives appointed by the governments of the Parties and not all of the possible representatives of the parties.

- BJ Thanked Mr. Strikha for his additional explanation and asked for some clarifications regarding the definition of “government personnel”. Asked if the Government of Ukraine is concerned about somebody like those individuals who work for example for the State Department or the US Department of Energy when they come to Ukraine for official business.
- MS Noted that in English version it comes to all personnel of the parties, the meaning of this point could have wide, very broad interpretation. The “personnel of the Parties” could be treated not only as the representatives of the proper national governments and EU or STCU, but also persons from team members of the projects, because they are personnel of the parties indeed. Proposed to add the word “government” into the English and Ukrainian texts as “du gouvernement” is in the French text. Stressed that there is indeed a difference between the three texts and should be solved in order for Ukraine to ratify the 1997 protocol.
- BJ Asked EM for comments?
- EM. Mentioned that the EU in fact has no government, therefore the word “government” should be reconsidered and proposed to look for the word that was used within the newly formulated ISTC documents.
- MS Suggested another possible manner to address this issue was to not change the 1997 Protocol, but ask the Governing Board to make a decision which interprets and provides a common understanding of this point of the Protocol. The decision could read as follows, “The STCU GB understands that this point of the protocol refers to personnel of the U.S. government and of the European Commission, and of other governments or involved Parties.” A decision of the Governing Board would provide a common interpretation/understanding of this point, and thus allow the Government of Ukraine to move forward with the required steps to ratify the 1997 Protocol without making changes to the documents.
- BJ Thanked Mr. Strikha for his additional clarifications and asked if his suggestion to add an explanatory point to the GB Record of Decisions would work for the other Parties?
- RT Asked if notation in the Record of Decisions wouldn’t require any actual changes to the English or Ukrainian Protocol text.
- MS Confirmed that in his opinion, an interpretation by way of GB decision is acceptable, and that changes in English and Ukrainian text would not be required. In Mr. Strikha’s opinion, such an approach is in agreement with Article 33 of the Vienna Convention on the “Law of Treaties”.
- KM Would certainly review the mentioned Vienna Convention and verify if the proposed solution would work. Highlighted that this issue requires more discussion in order to obtain a better understanding of what the Government of Ukraine understands its P&I obligations are in the French text versus those obligations as outlined in the English and Ukrainian texts. Once that understanding is achieved, the Parties can then determine what is the appropriate legal mechanism to be applied in order to formalize that common understanding.
- BJ Thanked Kristina for her comments and wrapped up the discussion by suggesting that the work between the US Party and Deputy Minister Strikha and his team should be continued in order to reach an acceptable conclusion for all of the Parties.



- SW Confirmed that all parties have to be sure that they are all together in a common place with their interpretation of this issue.
- EM Agree with what was said, thanked the US and Ukrainian side for their work with this issue. Asked if French version is official version and should it also be changed if other versions would be corrected.
- MS Confirmed that French version is one of the three official versions.
- BJ Noted that original documents that were signed were in Ukrainian, English and French, therefore they are all equal. Called attention to the second issue raised by the Government of Ukraine related to changing two points in the STCU Statute as follows:
- Article 1 (B) – Removing the address of the STCU in this article and stating only “Kyiv” as the address of the Center.
- Article 5 (B, C, D) – Clarify the hiring and firing of the ED, Senior DED, and DEDs
- BJ went on to highlight that the suggestion from the US side was to provide clarification of these two points in the next Record of Decisions, and within the same decision that that the GB requests the STCU to work to complete a complete review of the Statute in addition to those two clarifications for approval by the Board in the future. Asked for Mr. Strikha’s reaction to these suggestions.
- MS Confirmed that the US proposal is quite acceptable. Mentioned that it would be good to include experts in the review of the Statute so as to obtain their suggestions.
- BJ Noted the Ukrainian side’s acceptance of this approach (clarifications in the next Record of Decisions), and if necessary revisit the entire Statute during next year.
- RT Thanked BJ and Mr. Strikha for their suggestions and reception of this proposal. From the U.S. side we see this as a constructive way to move forward.
- BJ Asked for comments from the EU.
- EU Agree with proposal.
- BJ STCU will move forward with this proposal and will get try to arrange help of experts from the Government of Ukraine as well as our colleagues from the US to draft text that could be put in the Records of Decisions for signature and then additional material changes to the Statute could be considered in 2016.

#### **4. Eligibility and Definition of Project participants**

- BJ In July 2015, the Shota Rostaveli National Science Foundation raised the issue of lowering the percentage requirement of former weapon scientists on Targeted Initiatives projects with Georgia in 2016. This issue was discussed in the summer, and the STCU Governing Board agreed to return to this issue. Earlier, a two page background report was sent to all parties for review in preparation to discuss this issue.

As of today, there are two types of research and development projects funded at the STCU: (1) Targeted Initiative (TI) Projects with the Academy of Sciences as well as in 2016 we will have a TI with the Ministry of Education and Science, and (2) Partner projects with both Governmental (DOE, DTRA, etc.) as well as non-Governmental (Boeing, Airbus, etc.) organizations. Currently, for TI Projects the requirement is that former weapon scientists should constitute 50 % of the Project team. For Partner Projects, the requirement is lower at 30%. There are some exceptions, such as some partners such as DOE/GIPP had more stringent requirements (i.e. 60% of the project team were required to be FWS).

In summary, in front of the STCU are two issues:

- 1) Is the STCU willing to expand the definition of what an eligible scientist is? For example, at the ISTC their definition of an eligible scientist includes dual-use scientists.
- 2). What percentage of those eligible scientists are we requiring on TI Projects and Partner Projects, including private sector projects?

EM This is clear that we should shift away from former weapon scientists to dual-use as can be observed at the ISTC. This process would also help to synchronize the STCU and ISTC procedures. As for the required percentages, the EU prefers to look first at the content and quality of the project, and then on the composition of the scientists in the project team. Agrees that depending on the project type, the percentage of dual-use scientists should be defined.

RT Agrees with EM that due to the changing environment facing the Centers, the criteria for project consideration should change along with it. The US Party asks to have more time in order to discuss this proposed change. The US DOS will work with their DOE colleagues as well, to help determine the criteria that make sense for the STCU as well. Thus, the US would appreciate if the other Parties would allow it more time for consideration of this important issue.

AH Noted this is a new day for the Centers and the era of FSW percentage requirements of 60% as required historically by the GIPP program are out of place. Today it is more important for the Centers to provide solutions to security and non-proliferation problems. Pointed out that someone might say, that the Centers were originally set up to address the issue of FWS; thus, how do you show that the Centers are still sticking to that original mandate? Given that, it would be prudent to retain the Center requirement of completing a questionnaire by the scientists about their background for future reference. However, I think that these days it is much more interesting to the Parties that any initiative undertaken actually serves to solve security and non-proliferation problems in the regions that the Centers operate in, versus engaging ex- soviet weapon scientists for that sake alone.

MS In fact this is the matter of the STCU future. Obviously, the number of FWS is constantly decreasing and the Parties are faced with the decision if we wish the STCU to work for a longer period than the lifespan of the FWS. In fact, the Ukrainian Party would like to see the STCU continue its work, as its experience is quite unique. Therefore the Ukrainian Party supports very strongly the idea of adopting for the STCU the same definition as at the ISTC. That means that we are speaking not only about FWS but also about specialists who have experience in the field of dual-use technology. Thank you.

BJ It would be good that we have a decision regarding this issue before the Governing Board if we are talking about first week of March or it will be in April, because that is exactly the same time when we kick-off the TI request for proposals, so we do have some time. We will work with the Parties

including the US when they have some more time to discuss this matter, to come up with language that would be acceptable to the Board. And as a minimum, we could include it in the Record of Decisions of the rescheduled Board in March or April next year.

## **5. Any other Business (AOB)**

BJ Given that all have agree to reschedule the 20th Anniversary, the STCU will ask the GB to sign a Record of Decisions (with mostly housekeeping issues such as the AOB approval, extensions of ED and DED-UA, etc.) and Funding Sheet in December by written procedure. At the end of November, the STCU has scheduled conference calls with the Academies of Sciences in order to approve the TI projects for 2015. If the Board agrees with this approach, a draft of the Record of Decisions and Funding Sheet will be circulated in the next days, so that all Parties can see what the STCU is requesting to be signed. Also, noted that some small changes to the 2016 AOB Request will need to be made in order to accommodate the rescheduling the 20th Anniversary, as some costs will be expended next year, instead of this year as originally planned. Requested comments from the Parties about this approach.

US Agree.

EU Agree.

UA Also Agree.

## **6. Confirm date and time of next teleconference call**

Decided to leave the date of the next conference call to a date to be determined in the near future (more than likely in early 2016).

## Executive Director Report

(Reporting Period: September 19, 2015 – March 4, 2016)

### Major Issues

#### Situation in Ukraine

As per the decision of the 39<sup>th</sup> Governing Board on December 9, 2014, the STCU initiated procedures to terminate all projects in the Autonomous Republic of Crimea. As of the publication of this report, the STCU terminated all projects in the Autonomous Republic of Crimea. Thus, the STCU no longer has any activity in this region of Ukraine, and will not resume future activities until instructed by the STCU Governing Board.

The political situation in Ukraine has had a serious impact on the finances of the Government of Ukraine, as well as the banking system and currency. As of the end of 2014, the Hryvnia had stabilized at around 15.00-16.00 UAH to 1.00 USD. This was a devaluation from approximately 8 UAH to 1.00 USD at the end of December '13, and 12.00 to 1.00 USD in the summer of '14. As of the end of 2015, the Hryvnia had stabilized at around 23.00-24.00 UAH to 1.00 USD. The approval of \$17.5B in financing from the International Monetary Fund (IMF) on March 11<sup>th</sup> 2015, as well as a 20% reduction on sovereign bonds agreed to on August 27<sup>th</sup> 2015, helped to stabilize the economic situation at the end of 2015. However, the beginning of 2016 has started off with the Hryvnia devaluing further to approximately 27.00 UAH to the USD and 30.00 UAH to the EUR. Some attribute the move in the currency to the unclear political situation, especially the very contentious resignation of the Minister of Trade and Economic Development on February 3, 2016. As of the printing of this report, the political situation in Ukraine was extremely unclear with some calls to reshuffle the Cabinet of Ministers of Ukraine, as well as the risk of new parliamentary elections if the current parliamentary coalition could not hold together (during February two parties left the coalition).

On the positive side, on February 17, 2016 during a special meeting in the Ukrainian Parliament, the Committee on Science and Education supported the draft law entitled, "On ratification of the 1997 Protocol amending the Agreement to establish the Science and Technology Center in Ukraine". The Committee recommended in its decision to ratify the Protocol and submit it to the Committee on Foreign Affairs of the Verkhovna Rada for further approval.

#### Project Accreditation in Azerbaijan

At the end of 2015, the STCU was having issues with registering the 2014 Targeted Initiatives projects (approved at GB 39) according to new legislation introduced in early 2015 by the Government of Azerbaijan. However, as of the printing of this report, all eight projects were successfully registered with the authorities and are now operating without issue.

However, partner project P663, entitled "Studies of natural foci of plague and tularemia. Development of modern sanitation complex in Azerbaijan", with the French partner Agence Francais d'Expertise Technique Internationale (AFETI) was terminated at the request of the Azeri institute (Republic Antiplague Station in the name of S. Imamaliyev) on February 24, 2016. The institute informed the

STCU in a letter dated February 19, 2016, that the Ministry of Health of Azerbaijan “does not consider the project as possible”. No further explanation was provided by the institute nor the Ministry of Health of Azerbaijan.

#### STCU Staffing Issues

- In October 2015, one (1) accountant resigned because of personal reasons. The position is vacant, and may be filled or terminated depending upon the volume of projects approved in 2016.
- On January 1, 2016, six (6) full-time staff positions were eliminated, and one (1) full-time staff was converted to part-time, in accordance with the GB approved 2016 AOB. The STCU is assisting the redundant staff with their search for other employment, with some already finding new employment in the first quarter of 2016. As of today, the STCU has twenty-five (25) local full-time staff and two (2) expatriate staff (ED & CFO). The vacant position mentioned in the first bullet point above is included in the twenty-five full-time positions, thus the STCU actually has twenty-four local full-time professionals on staff.
- Interviews for the Regional Officer in Azerbaijan were held the week of February 29<sup>th</sup>, and the STCU expects to select the new candidate by mid-March, so that the new candidate assumes the position by April 1, 2016.

#### Other Party Issues

##### *Odessa Ukrainian Anti-Plague Research Institute (UAPRI) Biosecurity Improvement Initiative*

Over the course of the first six months of 2015, the STCU had a number of meetings with the Ministry of Health, including several meetings with Minister Kvitashvili in order to determine ways to speed up the legal process surrounding the desired land plot in Odessa (Yadova St. #6). In the hope of resolving the issue, at the end of August 2015 the Ministry of Health of Ukraine offered two (2) alternative locations (in Odessa) to the STCU and EU for consideration. The EU and STCU decided that one of the two alternative locations (Vorobyova St. #9) was satisfactory (the other site was deemed to be too small). In mid-November 2015, the Chairman of the STCU Governing Board and Executive Director traveled to Odessa to view the alternate location, as well as to meet with officials from the Odessa Oblast administration (responsible for the land plot at Vorobyova St. #9) in order to determine next steps for legalizing the land for use as the site for the construction of the laboratory. The STCU is currently working with the Ministry of Health and the Odessa Oblast administration to obtain the legal documents required in order to start construction at this alternative site. In parallel, the STCU is still working with the management of the Ukrainian Research Anti-Plague Institute to attempt to speed up the legal process for the land plot at Yadova St. #6 (the original land plot). The hope is that one of these two locations will soon obtain the required documentation in order to begin construction.

##### *EU Ukrainian and Moldovan Border Guard Project*

On September 30, 2014 the STCU signed a contribution agreement (Agreement # IFS/2014/348-211) with the EU which provides 4.1M EUR of funding to buy equipment and materials for the Ukrainian and Moldovan border guards. The project was scheduled for completion on September 30, 2015, but



was extended to May 31, 2016 in early July '15 in order to accommodate the delivery of additional chemical detection units utilized for training purposes. As of the writing of this report, the only items still awaiting delivery are the aforementioned chemical detection units, as well as 80% of the protective suits, all of which are scheduled for delivery by early April '16. Once those items are delivered, this project will be completed.

#### New EU Project to test the STCU's ability to work in new regions

On December 11, 2015 the STCU signed a contribution agreement (Agreement # IFS/2015/365-540) with the EU which provides 1.7M EUR of funding to buy equipment and materials for first responders in the SEE CoE Region. This project is unique in that it will test the STCU's ability to purchase equipment and materials for countries outside of STCU's traditional region (i.e. GUAM). The project foresees purchases for the following countries: Albania, Armenia, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Georgia, Moldova, Montenegro, Serbia, and Ukraine.

The STCU will work closely with the National Focal Point in each country outside of STCU's traditional region, in order to coordinate the delivery and acceptance of all equipment and materials purchased for this project. All purchases for Ukraine, Georgia, and Moldova will be completed as was done in the past.

#### Date of Next STCU GB meeting

The ISTC Governing Board would like the STCU Governing Board to consider conducting "back-to-back" Governing Boards in December 2016, in Tbilisi, with the following proposed dates:

ISTC GB = December 6<sup>th</sup> and 7<sup>th</sup>  
STCU GB = December 8<sup>th</sup>

### **Current Secretariat Activities**

#### Targeted R&D Initiatives Activity Update

The 2015 Targeted Initiatives request for proposals resulted in the following numbers of proposals for each country:

Azerbaijan	= 16
Georgia	= 26
Moldova	= 30
Ukraine	= 24

Total # of 2015 TI proposals = 96

As of the printing of this report, funding decisions for the 2015 Targeted Initiatives were still not finalized. The European Union is still considering funding projects on its own, and the United States is still working on its interagency approval process. It is the STCU's hope that some TI projects will still be approved in the 42<sup>nd</sup> GB Funding Sheet. In addition, the STCU has not started the call for

proposals for the 2016 Targeted Initiatives, as it seems to the Secretariat that some clarity about the 2015 TIs should be obtained before launching the 2016 program. The Secretariat looks forward to discussing both the 2015 and 2016 TIs at the upcoming 42<sup>nd</sup> GBM on April 5<sup>th</sup> and 6<sup>th</sup>.

The Ministry of Science and Education (MSE) of Ukraine informed the STCU in the Summer '15 that it would like to pledge \$500K towards the 2016 Targeted Initiatives Program with the STCU. Furthermore, in early December '15, representatives of the MSE met with the STCU Executive Director and requested that the Executive Director pass on the following request to the EU and US parties at the ISTC 61<sup>st</sup> Governing Board Meetings (in Astana the week of Dec. 7<sup>th</sup>):

The Ministry of Science and Education of Ukraine requested that the US and EU allow the MSE to fund projects not in parallel (as was done in the past for TI projects) with the EU and US; but in serial. In other words, the Ministry of Science and Education of Ukraine would fund the first year of projects, and then based on the results of the projects' first year, recommend projects for funding consideration by the EU and US at the end of 2016 (for funding in 2017).

The Executive Director spoke with the EU and US representatives about this request in Astana, and their initial reaction was positive. However, they asked to discuss this matter further at the upcoming rescheduled Governing Board in April 2016. Furthermore, the US and EU requested that the Executive Director inform the Ministry of Science and Education and National Academy of Sciences of Ukraine that 2016 TI proposals from these entities would be viewed as if coming from one source (officially the Academy is under the authority of the Ministry of Science and Education and thus is a part of MSE) and thus would compete with each other for funding. The STCU Executive Director informed Deputy Minister Strikha of this stipulation from the EU and US at a meeting on December 18, 2015.

Finally, the STCU would like to report that it is no longer experiencing issues with starting Targeted Initiative projects which were co-funded with the Academy of Sciences of Azerbaijan at the 39<sup>th</sup> STCU Governing Board (Dec. '14). All the affected Azeri TI projects were started in February 2016.

#### Partner Program/Sustainability Activity

The 41<sup>st</sup> GB approved a total of six (6) new partner projects totaling roughly \$1.03M (\$88,999 and €850,356), as well as twelve (12) new partner project extensions totaling roughly \$1.59M (\$990,482 and €540,750). Couple this with the partner projects approved at the 40<sup>th</sup> GB in the summer 2015, and in 2015 approximately \$4.3 million of new partner project funding was received. Partner project funding in 2015 was almost US \$2.1 million less than that received in 2014 (which itself was almost US \$3.8 million less than that received in 2013 = \$10.23M); and was a result almost exclusively because of a drop in government partner projects (especially DOE/GIPP).

In mid-December 2015, with significant help from the Ukrainian Governing Board Member, the STCU and the Government of Ukraine were able to resolve the issue with Host Government Concurrence that was raised in the ED report for the period ended September 18, 2015.

However, the good news for partner projects in 2015 ends there, as the STCU continues to see a significant decline in Partner Projects (as described above). The STCU is watching this situation

carefully, and it is still not clear if this trend will bottom out (~\$4-5M/year in partner projects), or continue given the uncertain political situation in Ukraine, as well as the war in Donbass.

### Trends in Projects

As the table below indicates, the STCU has seen the number of active projects drop considerably over the last few years (from an average of 228 active projects in 2012 to 125 active projects in 2014). Furthermore, as you can see in the table below, the average number of active projects for 2015 was approximately 120, with that number expected to drop down to 110 in the first quarter of 2016.

However, given the board approved funding in 2015 (see table below, the number highlighted in red), the STCU anticipates a continued drop off in the number of active projects for 2016 (down to ~90-100). Pair this with a continued decline in the number of Partner Projects (as described above), and the STCU anticipates seeing the number of active projects track downwards even more towards 80 – 90 during the latter part of 2016/beginning of 2017.

	2009	2010	2011	2012	2013	2014	2015	Mar. 2016
Avg # of Active Projects	219	220	227	228	179	125	120	110
Board Approved Project Funding (USD)	\$13.2M	\$12.9M	\$18.2M	\$17.7M	\$12.7M	\$14.1M	<b>\$4.72M</b>	\$2.1M*

\* \$2.1M is the amount of funding received for the period of Jan. 1 – Mar. 4, 2016

### **Important Visitors/Meetings/Events**

#### **Attendance of Global Partnership Meetings (29<sup>th</sup> and 30<sup>th</sup> September, 2015, Berlin).**

The STCU Executive Director traveled to Berlin and met with representatives of global partnership programs (i.e. Germany, U.S., Norway, Sweden, etc.) to discuss ways the STCU may act as an implementing organization for their activities in Ukraine.

#### **Meeting with Michele Rivasi, Member of European Parliament (13th October, 2015, Brussels).**

The STCU ED accompanied a DG DEVCO delegation (comprised of Adriaan van der Meer, Pascal Daures, and Genevieve Lizin) to meet with MEP Michele Rivasi to discuss options for resolving some issues associated with the EU Ivankiv social project.

**Meeting with Judith Garber, Acting Assistant Secretary of State, Bureau of Oceans and International Environment and Scientific Affairs (19th October, 2015, Kyiv).** The STCU ED met with Ms. Judith Garber to discuss the STCU's past and current activities in Ukraine.

**ED Attendance of ISTC CEC meeting (21st – 22nd October, 2015, Brussels).** The STCU ED attended the ISTC CEC meeting in Brussels.

**ED attendance of Fukushima close out meeting (5<sup>th</sup> and 6<sup>th</sup> November, 2015, Tokyo).** The STCU ED traveled to Tokyo to participate in the final Expert Committee meeting to review technical



conclusions of the Fukushima Initiative projects which were jointly implemented by the ISTC and STCU over the course of the past two years.

**Chairman and ED travel to URAPI (17<sup>th</sup> & 18<sup>th</sup> November, 2015, Odessa).** The STCU Chairman and ED traveled to Odessa to visit URAPI and the proposed site of the new laboratory on Yadova St. #6, as well as the additional proposed location at Vorobyova St. #9. In addition, both met with Ms. Gaidar, Deputy Governor of Odessa Oblast, and colleagues to discuss next steps for legalizing the land at Vorobyova St. #9 for use by the laboratory construction.

**Chairman and ED Meet with Board Member from UA/Deputy Minister of Science and Education of Ukraine (19<sup>th</sup> November, 2015, Kyiv).** The STCU Chairman and Executive Director met with the Ukrainian Governing Board Member/Deputy Minister of Science and Education to discuss the Targeted Initiatives Program with the Ministry, as well as the EU's desire to see the STCU and Ukraine play a larger role in the SEE region (former Yugoslavia, etc.) of the CoE.

**Meeting with Linear Accelerator Laboratory (LAL) and French Embassy (26<sup>th</sup> November, 2015, Kyiv).** The STCU met with Sylvain Rigollet (Attache – University and Science Cooperation, French Embassy in Ukraine) and Sergey Barsuk (LAL) to introduce ourselves (Mr. Rigollet just arrived) and discuss ways to work together in the future.

**Meeting with DOE/NNSA Delegation, Intercontinental Kyiv, (6<sup>th</sup> December, 2015, Kyiv).** The Executive Director met with Ms. Kristin Hirsch (Regional Project Manager, NNSA), Malika Taalbi (Deputy Regional Officer, NNSA), and Sorin Pudroschi & Jeremy Jamison (PNNL) to discuss DOE/NNSA's LINAC program with KIPT in Kharkiv.

**ED Attendance of ISTC GB meeting (7<sup>th</sup> - 10<sup>th</sup> December, 2015, Astana, Kazakhstan).** The STCU ED attended the ISTC GB meeting in Astana.

**Meeting with Ada Bacetty, Deputy Program Manager, Cooperative Biological Engagement Program, DTRA in Washington D.C.(14<sup>th</sup> December 2015, Kyiv).** The STCU Executive Director, Chief Financial Officer, and STCU team met with Ada Bacetty to formulate an audit program (questionnaire, sample report, audit program, etc.) to be used to conduct an audit of equipment and procedures in use at the Institute for Experimental and Clinical Veterinary Medicine (IECVM) in Kharkiv. DTRA is exploring the possibility of using the STCU to conduct audits of the projects that it has funded in the past. The audit of IECVM is a pilot, and depending on the results, DTRA will consider using the STCU in the future for additional project audits.

**Meeting with Deputy Minister of Science and Education of Ukraine (18<sup>th</sup> December, 2015, Kyiv).** STCU Executive Director and Senior DED (UA) met with the STCU Ukrainian Governing Board Member who informed the STCU that the issue with Host Government Concurrence was resolved and that six (6) partner projects were now eligible to be started. Also discussed the results of conversations that the ED had about MSE's requests related to the 2016 TI with MSE (i.e. funding in serial versus parallel). The STCU ED passed on the EU and US stipulation that the 2016 TIs for MSE and the Academy of Science of Ukraine will be seen as one Ukrainian TI. In other words, proposals from MSE and the Academy would compete against each other for funding from the US and EU.



**Meeting with German Bio-safety and Bio-security delegation, German Embassy Kyiv, (26th January 2016, Kyiv).** The STCU Executive Director met with the following German delegation to discuss the STCU's experience in the field of bio-safety/bio-security:

Mrs. Petra Emmerich (Bernhard-Nocht-Institute for Tropical Medicin)

Mrs. Mandy Elschner (Friedrich-Loeffler-Institute for Animal Health)

Mr. Roman Wölfel, Mr. Heiner von Buttlar and Mrs. Mandy Knüpfer (Institute for Microbiology of German Armed Forces)

Mr. Joachim von Bonin and Mr. Benno Weißenbacher (GIZ)

Mr. Mikhail Leshchenko, Science Attache, German Embassy in Kyiv

The German government will implement ~1-2M EUR of Bio-safety and Bio-security projects in Ukraine. The STCU was attempting to convince the German government to allow the STCU to administer this activity; however, the delegation informed the STCU that these projects would be administered by GIZ.

**Meeting with Kevin Garrett, International Project Manager, DTRA in Washington D.C (5th February 2016, Kyiv).** The STCU Executive Director met with Kevin Garrett to discuss each others efforts in the area of bio-safety and bio-security in Ukraine. DTRA CBEP program in Ukraine will spend ~\$5M/year (lower than previous years ~\$30M/year) and both parties agreed to coordinate their activities so as to maximize the funds invested by donors in the area of bio-safety and bio-security in Ukraine.

**Meeting with DOE/NNSA Delegation and Ministry of Energy and Coal Industry (12th February, 2016, Kyiv).** The STCU met with Ms. Kara De Castro (Program Director, NNSA), Scott Shrum (Deputy Energy Attache at the U.S. Embassy), and Garl Bultz (Senior Security Specialist, Gregg Protection Services/PNNL) and representatives of the Ministry of Energy and Coal Industry to discuss next steps to starting a project to reestablish a Nuclear Security Education Program at Kyiv Polytechnic Institute, replacing the program that was conducted in Sevastopol until the illegal annexation of the Autonomous Republic of Crimea by the Russian Federation in March 2014.

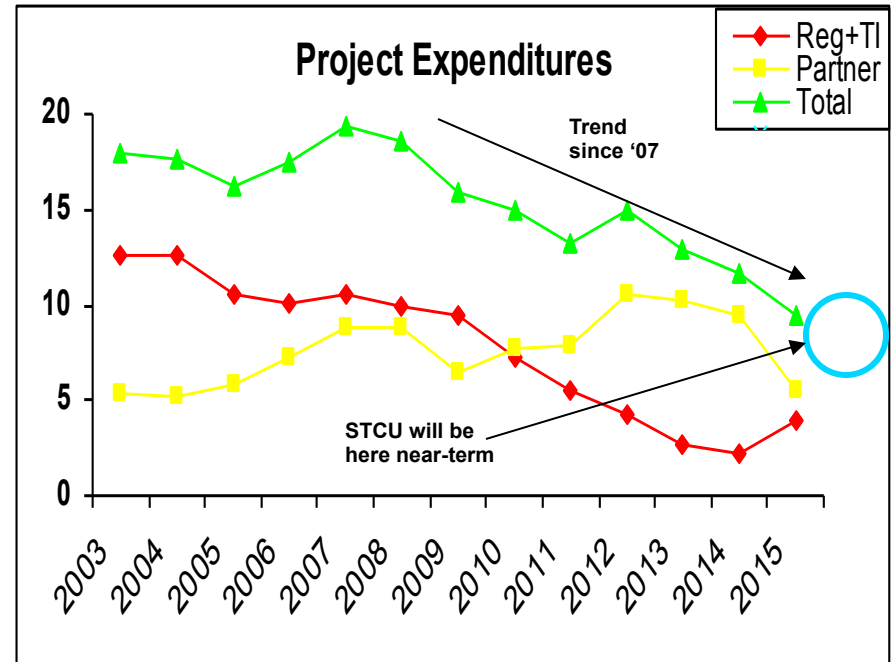
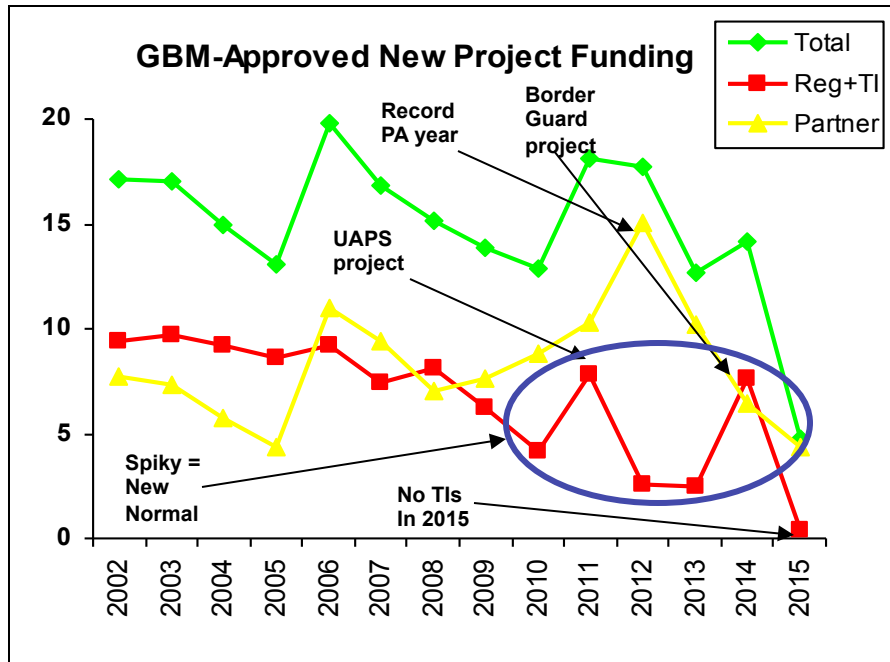
**Attendance of First EU CBRN Centres of Excellence for Ukrainian CBRN stakeholders (23rd February, 2015, Kyiv).** The STCU ED and Senior Specialist Elena Taberko attended the first meeting of Ukrainian CBRN stakeholders conducted in the framework of the EU's CoE program and organized in cooperation with the State Border Guards Service of Ukraine. The EU CBRN CoE and its core elements were presented, and further cooperation between Ukrainian institutions and the EU CBRN CoE were discussed. The STCU made a short presentation and was able to network with a number of Ukrainian organizations that work in the sphere of CBRN security. Furthermore, the STCU was able to meet with the National Focal Points of Moldova and Serbia, who were in attendance, in order to discuss country-specific aspects of the new EU First Responders project that recently started with the EU.

Curtis "B.J." Bjelajac  
Executive Director



# **Look Ahead to 2017: Advance Planning for STCU Budget Request**

# Future Activity Indicators Stabilize after Three Spikes (UAPS, Record PA Year, Border Guards)



- Past years saw three spikes and loss of annual funding floor provided by DOE/GIPP (\$3-\$5M/yr.):
  - Spike 1 = 2011 saw approval of UAPS projects (~\$5M)
  - Spike 2 = 2012 was record year in partner project funding (~\$15M)
  - Spike 3 = 2014 saw approval of EU Border Guards project (~\$5M)
  - In past years, Partner activity dominated by Gov. Partners—and Gov Partners Dominated by DOE/GIPP (i.e. 62% of New GP Project Funding; Nearly 30% of all New STCU Project Funding in 2010)

**Funding Activity => Requires Admin for ~\$8-\$10M/yr. in project expenses and shift towards one-off big EU projects and NGP projects (challenging due to political situation in UA)**

# Looking Ahead to 2017 Budget Planning

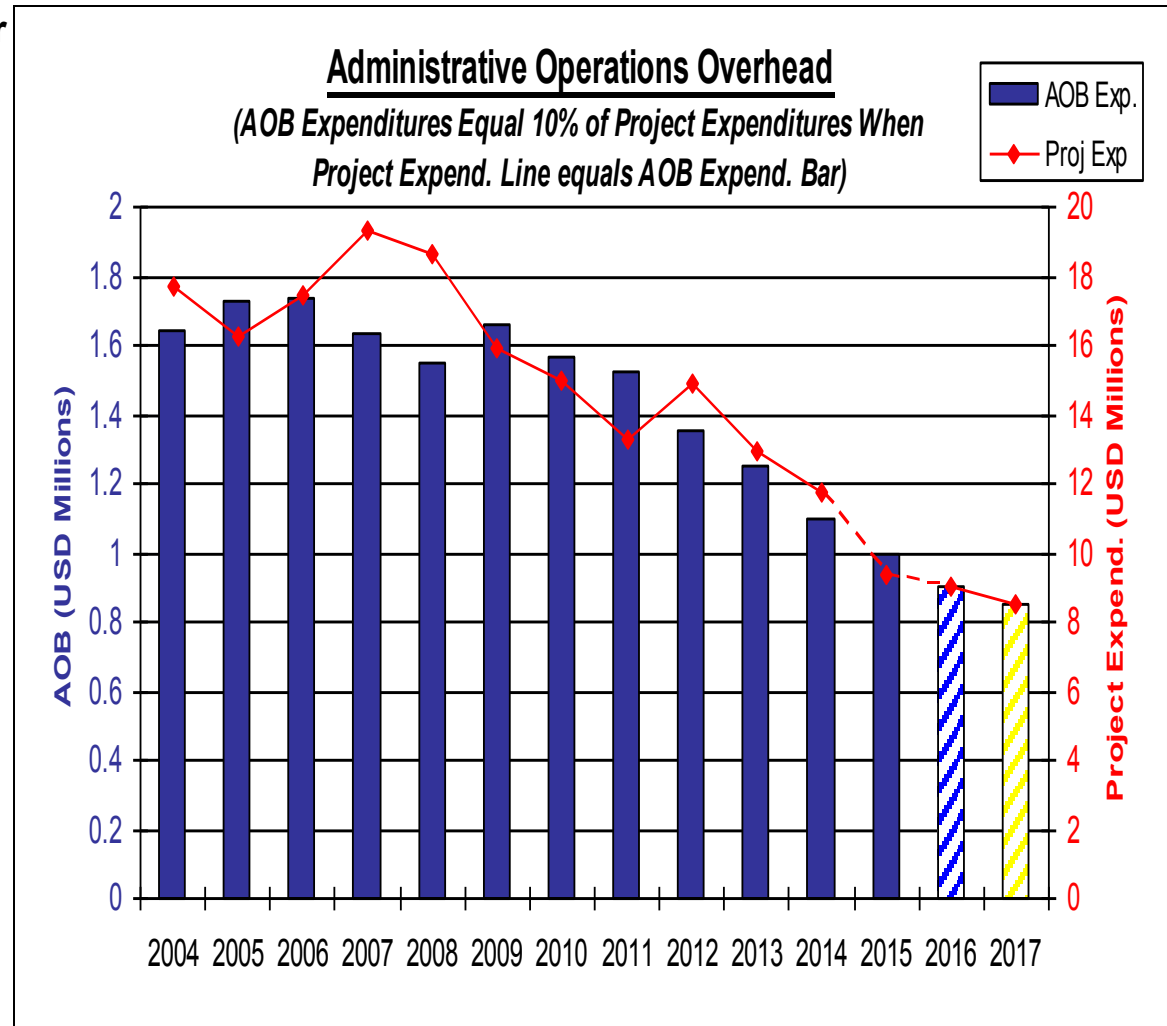


- Match Declining Project Activity by AOB Reductions

- Fewer Staff Departures - Fewer Vacancies Available for Controlled Attrition.

- Plan on a Lower AOB Request for 2017

- Continue to Adhere to 10% AOB Overhead Benchmark; however gets more difficult as recurring funding decreases
- Consider Line-by-Line Reductions, But Largest AOB Line is Staff (Management to Study Staff Needs Against Current Staff Make-Up).
- Cost Sharing with ISTC (Tbilisi office, etc.)
- Lower AOB to Match Anticipated 2017 Project Levels. Projected 2017 AOB request to be at ~\$850K



# AOB Adjustment Analysis



- **To Match Desired Admin Overhead, 2017 AOB Must Be Reduced**
    - For 10.00% AOB Overhead = ~\$100K Less than Approved 2016 AOB (= \$950K)
  - **Local Staff Reductions are most realistic way of achieving these AOB Reductions**
    - 24 Full-Time Local Staff Positions (Local Staff Costs are ~59% of 2016 AOB)
    - Staff Workload Projected to Slightly Decline
- For \$100K AOB Cut = 2-3 layoffs (~11% Reduction; 22-23 Staff Remaining)**
- **Non-Staff AOB Offsets will be sought where possible (i.e. travel, regional offices, etc.)**



## **Proposed Definition and Eligibility Requirements of STCU Project Participants**

### **BACKGROUND**

*The percentage of Category 1 participants (i.e. Former Weapons Scientists) on an STCU project is not defined by any STCU statutory document; rather, the requirement was established by consensus decisions of the Parties (primarily the EU, US, and CA) over time. The last time such a consensus was reached was at an Advisory Committee meeting in 2003, where the Advisory Committee advised the Secretariat not to forward any proposals for consideration if there was less than 30% Category 1 participants in the proposed project. Any other criteria utilized, were solely the criteria of each individual Party, during each Party's internal process for deciding what proposals it would finance. Therefore, if today the Parties wanted to change any part of this criteria—or even do away with it altogether—, there is flexibility inherent in the STCU statutory documents to do so.*

*Given the STCU Governing Board's decision to eliminate "regular" projects in September 2012, the STCU currently only has two types of projects – "Targeted Initiatives (co-funded with host organizations)" and "Partner Projects". In July 2015, the Shota Rostaveli National Science Foundation raised the issue of lowering the percentage requirement of Category 1 participants, and the Governing Board agreed during the summer of 2015 to revisit this issue by the 42nd Governing Board in April 2016.*

### **Current Definition and Eligibility Requirements of STCU Category 1 Participants**

Currently, STCU Project Processing Guidelines define a Category 1 participant (a.k.a Former Weapons Scientist) as a scientist that was formally involved in any of the following four pre-determined areas of Weapons of Mass Destruction research and/or development:

1. Mass destruction weapon
  - 1.1 Nuclear
  - 1.2 Chemical
  - 1.3 Bacteriological
  - 1.4 Others
2. Delivery systems
  - 2.1 Missile technologies
  - 2.2 Guiding systems
  - 2.3 Others
3. ABM systems
  - 3.1 Recognition systems
  - 3.2 Interception systems
  - 3.3 Others
4. Other weapons

In addition, the STCU Project Process eligibility requirements further stipulate a minimum participation of at least 30-50 percent of the team assigned to a project to be Category 1 as defined above. In practice, the 50 percent figure was utilized for regular projects (prior to 2012 termination of regular



projects) and targeted initiative projects (still in use as of today), while the 30 percent number was adopted for Partner projects (still in use today). Furthermore, some partners such as US D.O.E. have set other more stringent bench marks (i.e. 60 percent for the GIPP program).

### **Current Definition and Eligibility Requirements of ISTC Category 1 Participants**

The ISTC approached the issue of Category 1 eligibility many years ago (prior to the 2012 synchronization effort), with the following suggested by the ISTC for consideration:

**“The ISTC Governing Board encourages the active involvement of young scientists in all funded projects. In relation to the definition of Category 1 participants, the focus is not only on former weapons experts, but also specialists who have “experience in the field of dual-use technology” which, in principle, may include a younger generation of scientists.”**

**Finally, the project must have at least one Category 1 Specialist (keeping in mind that the participants in this category of projects should be engaged in the project for at least 10% of the project’s duration).”**

### **For Consideration of the 42nd STCU Governing Board**

In keeping with the desire to synchronize the policies and procedures of the two Centers, the STCU Secretariat recommends that the next GB consider instructing the STCU to adopt the ISTC’s approach to the definition and eligibility of Category 1 Specialists for all targeted initiative and partner projects. Partners that require a more stringent eligibility requirement may do so (i.e. DOE/IPP’s requirement of 60%), as per their instructions.

If the Governing Board is uncomfortable with the “one-size fits all” approach for projects, a decision could be made broken down by the three types of project category that currently exist at the STCU – Targeted Initiative, Government Partner, and Non-Government Partner. For example, targeted initiative projects could be required by the Board to have a larger minimum of Category 1 specialists (i.e. 30% Category 1 dual-use), while partner projects could have more stringent/relaxed requirements.





## **Activity 14 – Non-proliferation and Nuclear Security and Safety Capacity Building**

### **Terms of Reference**

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#### **1. Program Objective**

To provide subject matter expert (SME) and implementation support for non-proliferation and nuclear security and safety capacity building in areas including export control, safeguards, and nuclear security culture. The focus is enhancing domestic and regional capacity in the identified areas.

The types of activities to be supported under this supplemental budget include, but are not limited to:

- Workshops on best practices exchanges in areas of nuclear safeguards, regulating licit trade, and detecting illicit nuclear-related transfers.
- Jointly funded safeguards, nuclear security, and export control-related training, both for STCU member states (possibly in collaboration with ISTC and its member states), and drawing on STCU (possibly in collaboration with ISTC regional) regional trainers to outreach to non-STCU regions and countries.
- Building on the Centers' experience with/knowledge of member-country scientific capabilities to serve as a potential clearing-house for sources of information about export control.
- Developing a cadre of scientific experts over time, that the Center can draw upon, to provide direct technical support to export control specialists in interested countries.

#### **2. Funding**

These funds are allocated by the Funding Parties (initially the U.S. Department of Energy) as part of Supplemental Budgets. The expenditures are charged against the Budget item "Capacity Building Program". These funds will be used to support activities utilizing existing STCU procedures and regulations where possible, and when necessary, develop new procedures or harmonize STCU procedures with ISTC procedures (i.e. travel regulations).

### **3. Legal Framework**

The Capacity Building Program activity was approved by the 42nd Governing Board on 5-6 April 2016. The Capacity Building Program activity is implemented in accordance with an annual plan approved by the Governing Board.

### **4. Activity Management and Procedures**

The Funding Party will designate the implementing authority for this activity (i.e. SDED or Senior Specialist); the Executive Director shall be its approval authority. The designated implementing authority shall be responsible for the management oversight of the activity, and shall be responsible for preparing the activity's annual plan and budget to the Governing Board, and for providing regular activity updates.

### **5. Financial Management**

The management of the accounts is performed according to the STCU Standard Operating Procedure - Supplemental Budgets (STCU Document SOP-XIV, 15/09/2000).

## **Targeted Research Program (TRP) on Clean Energy/Renewable Energy and Energy Efficiency Development**

The primary objective of this Targeted Research Program is to develop domestic capacity and adoption of technologies that expand the use of clean energy and renewable energy sources in STCU partner countries.

The results of this Targeted Research Program will support national (and possibly regional) development of clean energy/renewable energy capacities as well as improvements in energy efficiency, including the development of energy strategies, technology development and deployment, and a base of domestic expertise and knowledge. Expanded use, better integration, of clean energy and renewable energy technology in STCU partner countries, as well as improvements in energy efficiencies in those seam countries, will contribute to the global efforts to mitigate climate change risks, reduce the production of harmful carbon and other greenhouse gases, and improve the energy security of the countries in the STCU regions. This Program also will contribute to international efforts to address climate change, such as fulfillment of the objectives under the United Nations Framework Convention on Climate Change and its protocols.

The types of activities to be supported under this Targeted Research Program include, but are not limited to:

- Joint seminars and conferences on clean- and renewable energy sources, technologies, and approaches & challenges (including S&T information exchanges, capacity-building, and strategies for integrating clean/renewable energy sources), as well as on incorporating improved energy efficiencies into national/regional energy networks.
- Development of pilot projects to test and demonstrate viability of specific clean/renewable energy approaches (including energy efficiency approaches) in local environments.
- Identification of potential areas of collaborative research in clean/renewable energy technologies, including carbon dioxide (CO<sub>2</sub>) capture and storage, power generation unit designs and materials that make use of supercritical steam, power generating wind farms and windmill technologies, geothermal technologies, solar power generation, etc.

Activities under this Clean/Renewable Energy and Energy Efficiency Targeted Research Program will be conducted in STCU member states, including those of the funding Parties, in close cooperation with, or under the guidance of, the STCU. This Targeted Research Program will be open for financial contributions from all STCU Parties and Partners.

The United States Department of Energy (DOE) plans to support selected activities pursued under this Targeted Research Program by promoting partnerships and collaborations with DOE experts from U.S. National Laboratories, as well as from U.S. university consortia and industry experts that collaborate with the Department.

## **Targeted Research Program (TRP) on Seismic Monitoring and Hazard Mitigation**

The primary objective of this Targeted Research Program is to provide scientific and technical support for projects that improve seismic monitoring and support seismic hazard mitigation in partner countries. The focus is building collaborative regional partnerships for effective seismic research, monitoring, and seismic data analysis.

The results of this Targeted Research Program will support regional improvements in seismic data recording, hazard assessment, and understanding of lithospheric structure and seismic sources. In addition, by improving seismic monitoring capabilities, this Targeted Research Program will support nuclear nonproliferation by building partner state capacity to detect nuclear explosions in support of the Comprehensive Nuclear-Test-Ban Treaty.

The types of activities to be supported under this Targeted Research Program include, but are not limited to:

- Hazard mitigation studies and seismic risk assessments for earthquakes and landslides, including seismic provisions in building codes and vulnerability analyses
- Improvement of seismic monitoring network performance through infrastructure upgrades, including acquisition, deployment, and operation of seismic instrumentation and software
- Strong ground motion assessments and ground motion prediction studies
- Workshops and training on tools and techniques for seismic data analysis
- Promoting cooperative seismological data exchange, processing, and analysis across national borders
- Conversion of archived seismic data into digital formats to establish a regional library of data holdings
- Capacity building for National Data Centers in support of the Comprehensive Nuclear-Test-Ban Treaty

STCU Seismic Monitoring and Hazard Mitigation Targeted Research Program activities will be conducted in STCU member states, including those of the funding Parties, in close cooperation with or under the guidance of the STCU. The Seismic Monitoring and Hazard Mitigation Targeted Research Program will be open for financial contributions from all STCU Parties and Partners.

The United States Department of Energy (DOE) plans to support successful projects under this Targeted Initiative by promoting project partnerships with seismologists from U.S. National Laboratories and Universities. These partnerships will build upon over a decade of DOE-sponsored collaboration and engagement with seismologists and engineers in Central Asia and the Caucasus.

## **Targeted Research Program (TRP) on Radiological Source Risk Mitigation in Well Logging Applications**

The objective of the Targeted Research Program is to provide scientific and technical support to projects for assessing security, health and environmental risks radiological sources pose in general, with a focus specifically on mitigating risks of radionuclide sources used for well logging in partner countries, especially in Central Asia and the Caucasus. Well logging sources being small, mobile, used worldwide, and transported across international boundaries carry the risk of use in a radiological dispersal device. Mitigating this risk would require tightened regulations, internationally-accepted source-use protocols, use of electronic tagging of sources, and further development and deployment of alternative logging technologies to replace radionuclide-based logging devices. The Targeted Research Program will focus on alternative technologies.

The outcome of the Program would be to support regional improvements in radiological source risk mitigation in general and well logging sources in particular, leading to migration to appropriate alternative well logging technologies in partner countries in Central Asia and the Caucasus region. Lessons learned in deploying alternatives to well-logging sources would provide valuable lessons for replacing radiological sources used for other applications.

The activities under this Targeted Research Program would include the following:

- Brief survey of well logging source risk profile in partner countries in the region.
- Assessment of current logging source utilization profile in these countries to delineate key requirements an alternative logging technique must meet to be of a replacement.
- Evaluation of tested alternative logging technologies, nuclear and non-nuclear, to develop a regional map of their ability to meet the delineated replacement requirements and to identify research gaps. This activity will likely utilize existing well data from these technologies, tool response modeling in geology-wellbore conditions in partner countries, and targeted, collaborative back-to-back field trials of alternatives and radionuclide- logging technologies in the same well.
- Exploration of untested but promising alternatives, such as novel electronic radiation sources, using a priori modeling and appropriate experiments in partner country institutes and laboratories.
- Understanding the issue of legacy data and developing transforms, if needed.
- Promoting regional technology growth and capacity building in partner countries through the activities noted above.
- Gaining an understanding of potential non-technical roadblocks to migrating to alternatives, in discussions with regulators, end-users of logging technologies (typically oil companies), technology suppliers and service providers in partner countries, to develop a roadmap for transition to alternatives.

Activities under this STCU Targeted Research Program will be conducted in primarily in STCU member states that have significant oil and gas production entities engaged in well drilling and operations (e.g., Azerbaijan), but will be open to all STCU Parties, including those of the funding Parties. ISTC and STCU will work in close cooperation with each other and all activities will be performed the guidance of



the ISTC/STCU. The Targeted Research Program will be open for financial contributions from all STCU Parties and Partners.

The United States Department of Energy (DOE) plans to support successful projects under this Targeted Research Program by leveraging over 30 years of R&D experience on alternatives at major US-based oil and service companies. Project plans will be developed in collaboration with these companies, available industry experts, and partner countries in the region. Several of these companies already operate in Central Asia and the Caucasus and this should facilitate the leveraging and partnership. The project will also seek to engage select U.S. National Laboratories and Universities. The Targeted Research Program will build upon over a decade of DOE-sponsored collaboration and engagement with these countries.

## **Update of Financial Regulations as a Result of 7-Pillar Audit**

To enable the STCU to manage certain projects under direct agreement with the EU it is required that the STCU has a 7-Pillar Assessment of our internal systems and internal controls. Such an assessment was performed in 2014/15 and based on the recommendations of the accounting firm, who carried out the assessment, the EU has suggested that a change be made in the STCU's Financial Regulations. This change is designed to remove any potential misunderstanding in the Regulations. The Secretariat has no objection to the suggested change and is proposing to the Governing Board that the change be made.

The Financial Regulations were originally approved by the Governing Board and so the revised document is presented to the Board for approval. The change is set out below and the revised Financial Regulations are attached.

### **Financial Regulations changes proposed**

#### **SECTION V – Awarding of Contracts, Para F**

The paragraph currently reads as follows:

Goods and services required by the Center and project recipients shall, to the maximum extent possible, be procured from nations that are parties to the STCU agreement. The Chief Administrative Officer shall develop and the Executive Director shall approve procedures for ensuring fair and open competition on tenders. In the case of restricted tenders, these procedures shall ensure that all vendors on tender lists receive a letter of invitation to tender with all necessary documentation and a clear indication of deadlines. For open tenders, invitations to tender shall be published whenever practical in appropriate publications.

The proposed change is to remove the words “whenever practical” from the last sentence and for the paragraph to read as follows:

Goods and services required by the Center and project recipients shall, to the maximum extent possible, be procured from nations that are parties to the STCU agreement. The Chief Administrative Officer shall develop and the Executive Director shall approve procedures for ensuring fair and open competition on tenders. In the case of restricted tenders, these procedures shall ensure that all vendors on tender lists receive a letter of invitation to tender with all necessary documentation and a clear indication of deadlines. For open tenders, invitations to tender shall be published in appropriate publications.

On all pages the date and number of Governing Board Meeting approving the Financial Regulations has been changed to the current board meeting.

Subject to Governing Board approval of the revised Financial Regulations, subsidiary documents such as the Procurement Rules which require management approval will be amended to bring them into line with the revised Regulations.



SCIENCE & TECHNOLOGY  
CENTER IN UKRAINE

# FINANCIAL REGULATIONS OF THE SCIENCE AND TECHNOLOGY CENTER IN UKRAINE

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As approved at the [42<sup>nd</sup>](#) STCU Board of  
Governors Meeting on [5-6<sup>th</sup>](#) April 2016





**FINANCIAL REGULATIONS  
OF THE SCIENCE AND TECHNOLOGY CENTER IN UKRAINE**

**PREAMBLE**

SECTION I	General Framework
SECTION II	Preparation and Execution of the Administrative Operating and Supplemental Budgets
SECTION III	Authorizing Officers
SECTION IV	Management of Funds
SECTION V	Awarding of Contracts
SECTION VI	Accounting
SECTION VII	Records Retention
SECTION VII	Dissolution of the Center

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**PREAMBLE**

The Governing Board (hereinafter referred to as "the Board") hereby adopts the following financial regulations of the Science and Technology Center in Ukraine (hereinafter referred to as "the Center").

These regulations shall govern the financial administration of the Center, which shall be carried out in accordance with sound and prudent financial management principles with a view toward safeguarding the Center's financial resources and maintaining the Center's ability to meet its financial obligations.

These financial regulations come into force on the date they are approved by the Board. The Board may modify these regulations whenever deemed necessary.

In the event of a conflict between the provisions of these regulations and the Statute of the Center (hereinafter referred to as "the Statute"), the provisions of the Statute shall govern.

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**SECTION I - General Framework**

**A. Roles and Responsibilities**

(1) **Executive Director.** The Executive Director is responsible for establishing and maintaining strong internal controls which promote the efficient operation of the Center and provide reasonable assurance that:

- (a) property and financial resources are properly safeguarded;
- (b) accounting records are properly maintained;
- (c) financial reports and statements are accurate and fairly presented;
- (d) employees comply with the Statute and regulations of the Center; and

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- (e) the objectives of the Center are achieved.
- (2) **Deputy Directors.** Deputy Directors are responsible for advising the Executive Director, the Chief Financial Officer, and the Chief Administrative Officer regarding any and all aspects pertaining to R&D projects in which the Center is involved, and in any matter that may be of interest to the smooth functioning of the Center. These responsibilities include:
  - (a) technical progress on projects (milestone completion);
  - (b) budget execution (variance between planned and actual cost); and
  - (c) compliance with the terms and conditions in project agreements (e.g, recording of labor hours worked on projects, and usage of equipment).
- (3) **Chief Financial Officer.** The Chief Financial Officer is responsible for managing the Center's financial resources and for maintaining strong internal controls pertaining to recording, processing, summarizing and reporting of financial data and information.

The Chief Financial Officer:

- (a) manages the banking operations of the Center, including the transfer of funds between the Center's accounts and accounts of participating institutions and vendors in support of Board approved and funded projects and the administrative operating budget and supplemental budgets;
- (b) prepares bank reconciliations;
- (c) prepares interim financial reports, as required by Center management, and the annual financial statements;
- (d) assembles the Center's administrative operating budget, with appropriate input from the staff;
- (e) monitors revenues and expenditures against the administrative operating budget, supplemental budgets, and project agreements to ensure that the Center remains within established ceilings;
- (f) supervises the Center's accounting function and related activities;
- (g) maintains accurate records of amounts due from the funding parties for projects and operation of the Center;
- (h) coordinates the performance of required audits of the Center and projects with the appropriate audit organization;

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- (i) provides Deputy Executive Directors and project managers at institutes periodic financial reports which facilitate the monitoring of project expenditures;
- (j) controls the issuance and use of Center credit cards;
- (k) approves payment of purchases upon receipt of documentation evidencing
  - (i) authorization for the purchase,
  - (ii) approval of source selection and reasonableness of price, and supporting documents, and
  - (iii) after ascertaining that sufficient funds are available either in the project budget, administrative operating budget, or supplemental budgets;
- (l) accounting for center property and capital equipment purchased for projects; and
- (m) maintaining the register of capital property, plant, and equipment described in Section VI, paragraph 5.

(4) **Chief Administrative Officer.** The Chief Administrative Officer is responsible for interpreting project agreement terms and conditions, and resolving disputes related to project agreements.

He or she has the overall responsibility for approving the purchase of goods and services in support of projects and for purchasing goods and services for the Center. In performing this function, he or she will:

- (a) develop and maintain a data base of generic items of supplies and equipment which will fulfill the majority of needs of the Center and projects;
- (b) develop and maintain a system for forecasting equipment requirements for the Center;
- (c) ensure that purchases are cost effective and that economic order quantities (EOQ) are considered to the maximum extent practical;
- (d) ensure that purchases are made so as to meet the timing requirements of the Center and institutions performing projects;
- (e) authorize purchases from the Center's working cash fund; and
- (f) develop procedures for and monitor the performance of the annual inventory of capital items in accordance with Section VI, paragraph 6.

He or she will supervise staff members responsible for:

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- (a) establishing and maintaining payroll records of grant recipients at the Center and recipient institutions;
  - (b) coordinating with the lessor of the Center building and appropriate Ukrainian authorities regarding terms and conditions of the Center's lease, maintenance of facilities, and provision of utilities and security service for the Center; and
  - (c) controlling and accounting for Center property and property furnished project recipients.
- (5) **General Staff Responsibilities.** All members of the Center staff are responsible for helping to ensure that the Center's financial and other resources are properly safeguarded and are used effectively for their intended purpose.

B. Commitment and Expenditure of Administrative Funds.

All financial commitments and expenditures for administrative activities of the Center must be consistent with the administrative operating budget approved by the Board.

Financial commitments and expenditures for administrative activities of the Center must be approved in advance in accordance with procedures established by the Executive Director. The Executive Director may permit certain types of expenditures, below an established nominal threshold or for emergency reasons, without prior approval. Center staff members may not make oral commitments of Center funds without prior written approval.

C. Commitment and Expenditure of Project Related Funds.

Center staff should inform all potential project participants of the requirements that must be satisfied before Center funds may be committed to, or expended for, projects, particularly the requirements for Board approval, identification of financing parties, and a signed project agreement. Staff members should make it clear to potential project participants that any assistance that they provide in developing and processing proposals in no way implies for purchasing goods and services a commitment of Center funds.

**SECTION II – Preparation and Execution of the Administrative Operating and Supplemental Budgets**

A. Administrative Operating Budget

- (1) The Center's administrative operating budget shall encompass one fiscal year, beginning on January 1 and ending on December 31 (calendar year).
- (2) The administrative operating budget is a key managerial tool used to plan, and control operations of the Center. It is the Center's action plan for the coming fiscal year; actual actions can subsequently be compared to plans in order to measure performance.

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(3) The administrative operating budget shall identify expected revenues to be received and resources to be expended in accomplishing the objectives of the Center for the coming fiscal year. It shall identify resource requirements for activities to be initiated in the coming year as well as those required to honor commitments carried over from administrative operating budgets of previous years.

(4) The Chief Financial Officer shall:

- (a) issue detailed instructions, including an activity schedule, to the Center staff for preparation of the annual administrative operating budget;
- (b) prepare interest revenue projections for the coming fiscal year, by funding party, on funds held in off-shore interest bearing bank accounts;
- (c) prepare a schedule of budgeted versus year-to-date actual administrative expense for the current fiscal year;
- (d) prepare a schedule of financial staff on hand and required for the coming fiscal year;
- (e) receive administrative operating budget inputs from the Center staff and assemble the administrative operating budget for review by the Executive Director, and
- (f) upon approval of the administrative operating budget by the Board, prepare a schedule detailing the contributions required of the funding parties and submit it to the Executive Director.

(5) The Chief Administrative Officer shall prepare:

- (a) a schedule of procurement office staff on hand and required for the coming fiscal year;
- (b) an estimate of administrative expenses to be incurred (and paid) for the remainder of the current fiscal year; and
- (c) a schedule of open contractual actions, indicating those which are expected to be closed (paid) during the current fiscal year and those which will remain open during the coming fiscal year;
- (d) a schedule of contractual actions which are expected to be initiated during the coming fiscal year; and
- (e) the administrative expense and procurement portions of the annual administrative operating budget.

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- (6) The Deputy Executive Directors shall prepare schedules of project management staff on hand and required for the coming fiscal year.
- (7) The Executive Director:
  - (a) reviews the annual administrative operating budget and submits it to the Board for approval; and
  - (b) based on the Board's decision, informs each funding party of the amount of its contribution to the administrative operating budget. Such notification shall include supporting computations.
- (8) The Board shall approve the administrative operating budget, along with any amendments, and return it to the Executive Director for execution.
- (9) The administrative operating budget constitutes authority for the Executive Director to enter into contracts and expend funds for the purposes and within the limits specified in the administrative operating budget. Subject to priorities and limitations established by the Board, the Executive Director may exceed, within a limit of 10%, the amount specified for any given administrative operating budget line item, provided that he or she (a) notifies the Board in advance of any such action, and (b) the total amount of the administrative operating budget is not exceeded.
- (10) The Executive Director may prepare an extraordinary administrative operating budget request for submission to the Board if needed to accommodate unanticipated requirements or prevent undue disruption of Center operations.
- (11) Administrative funds not committed or spent at the end of each fiscal year shall be applied to the administrative operating budget for the following fiscal year.

B. Supplemental Budgets

- (1) The Financing Parties may provide financial resources for specific activities that are not funded under the Administrative Operating Budget or under project funding. Such activities shall be approved by the Board.
- (2) Supplemental Budgets shall be financed by the Financing Parties on a voluntary basis.
- (3) The Executive Director shall develop terms of reference and financial procedures for the implementation of activities funded through Supplemental Budgets.
- (4) The Center shall maintain separate accounting for each Financing Party, for the Administrative Operating Budget, Project Budgets and Supplemental Budgets. Specific requirements for Financing Party will be defined in the bilateral agreements between the Center and this Party. The Center will keep records of expenditures and appropriations for each of these separate accounts.

**SECTION III – Authorizing Officers**

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- A. The budgets shall be executed according to the principles of separation of authorizing and accounting officers.
- B. The Executive Director has the power to sign any project agreement, contract, payment order, or fund transfer or disbursement instruction. The Executive Director may delegate such power to appropriate members of the Center staff, provided such delegations are in writing and are made available to the funding parties.
- C. The Chief Administrative Officer may authorize purchases from the Center's petty cash fund.

**SECTION IV – Management of Funds**

- A. The Center shall establish and maintain hard currency bank accounts in Western banks located outside the Commonwealth of Independent States of the former Soviet Union. These bank accounts will be used to receive contributions of funds from the funding parties and to disburse funds pursuant to project agreements and the administrative operating and supplemental budgets of the Center.
- B. The Center shall separately account for the funds of the funding parties on the books of the Center for the purpose of determining fund balances and earned interest.
- C. The Center shall establish and maintain bank accounts in Ukraine, *or other CIS countries that have acceded to the Agreement*, as necessary for financing the administrative activities of the Center and for distributing funds to project recipients. The Board shall approve the establishment of each banking relationship.
- D. The Chief Financial Officer shall negotiate with banks in order to maximize the interest earned on deposited funds and to minimize the fees for banking services.

**SECTION V – Awarding of Contracts**

- A. The Chief Administrative Officer shall be responsible for entering into contracts on behalf of the Center pursuant to project agreements and the administrative operating and supplemental budgets.
- B. The Chief Administrative Officer shall obtain the Chief Financial Officer's certification of funds availability prior to entering to contracts on behalf of the Center.
- C. The procedures for awarding of contracts are as follows:
  - (1) *Below \$10,000:* Formal price comparisons are not required, but the reasonableness of the price must be considered in selecting the contractor.
  - (2) *Between \$10,000 and \$25,000:* Direct Placement. Several informal written quotations shall be obtained for analysis and determination of price reasonableness. The Chief Administrative Officer may negotiate directly with the vendor.
  - (3) *Between \$25,000 and \$100,000:* Restricted tender. At least three written proposals shall be obtained under a standardized formal procedure. Contracts shall be awarded based on an evaluation of the proposals.

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(4) *Over \$100,000:* Open Tender. Contracts shall be awarded based on an evaluation of written proposals after all interested candidates are given adequate notification and an equal opportunity to submit proposals.

D. The Chief Administrative Officer shall ensure that proposals are not subdivided in order to circumvent the thresholds established above.

E. The Executive Director may approve a deviation from the above procedures when fully justified by the Chief Administrative Officer. Examples of justification include, but are not limited to:

- (1) for urgent reasons, it is not possible to wait for the applicable tendering procedure;
- (2) the call for tenders does not produce any result, or where, after a survey or study conducted by the CAO, prices quoted are determined to be reasonable;
- (3) goods, works or services are to be procured for use within a Partner Project and the Partner has expressed written preference for a particular supplier to be used;
- (4) for technical or legal reasons, the supply of goods and services can only be provided by a particular vendor; or
- (5) a contract is technically linked to a previous contract.

F. Goods and services required by the Center and project recipients shall, to the maximum extent possible, be procured from nations that are parties to the STCU agreement. The Chief Administrative Officer shall develop and the Executive Director shall approve procedures for ensuring fair and open competition on tenders. In the case of restricted tenders, these procedures shall ensure that all vendors on tender lists receive a letter of invitation to tender with all necessary documentation and a clear indication of deadlines. For open tenders, invitations to tender shall be published in appropriate publications.

The Chief Administrative Officer shall chair a formal meeting for opening the tenders and shall sign a record of the meeting. The financial and technical merits of tenders shall be evaluated separately with results documented by an evaluation report.

G. "In contracts where advance or partial payments exceeding \$ 30,000 are required by a vendor or when final settlement is made before a vendor's liability is fully discharged, the Chief Administrative Officer shall, if following the Center's assessment of the risk and previous experience with the supplier, ensure that satisfactory performance of the contract is covered by a bid bond or performance bond, whenever possible."

**SECTION VI – Accounting**

A. The Center shall maintain its accounting records in a manner consistent with the format and line items contained in the administrative operating and supplemental budgets, and project agreements. The accounting system shall be capable of accurately recording, processing, summarizing and reporting financial data and information relative to operating and project revenues and expenditures.

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B. The Center's financial staff shall make all entries into the accounting system relating to operation of the Center and costs incurred by project recipients. The financial staff shall also prepare quarterly reports on project costs incurred for use by Center and institute project managers in managing their projects.

C. Project recipients (both lead and supporting institutes who work on Center projects) shall record the hours worked on projects on time cards in accordance with the instructions contained in the project agreement. Completed time cards, along with a listing of personnel who worked on each project and the total hours worked, shall be forwarded to the Center on a monthly basis. Other costs incurred (and paid) by project recipients shall be listed on a spreadsheet in accordance with instructions contained in the project agreement and forwarded to the Center on a quarterly basis.

D. The Center shall maintain a register of capital property, plant and equipment (hereinafter referred to as "capital items") purchased for the Center and project recipients. Capital items included in this register should satisfy the following criteria:

- (1) having a useful life in excess of two years;
- (2) retaining separate identities during their useful life;
- (3) not being consumable in the course of their use; and
- (4) having an original value of not less than \$2,500 for projects and \$100 for the Center.

The register shall allow ready identification and location of the capital items and shall, to the extent possible, identify individuals responsible for their custody.

E. The Center and project recipients shall perform annual physical inventories of all capital items in accordance with procedures developed by the Chief Administrative Officer.

F. Within two months after the end of each fiscal year the Executive Director shall submit the Center's financial statements to the funding parties (statement of revenues and expenditures, statement of cash flows covering operating and project activities, and the year end balance sheet).

**SECTION VII – Records Retention**

The Center shall retain its financial documentation for a period of five years following the date of the transaction. Project recipients shall retain their financial documentation for a period of two years following project completion.

**SECTION VII – Dissolution of the Center**

When all parties agree to terminate the STCU agreement, the unutilized funds shall be returned to each funding party.

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**SCIENCE AND TECHNOLOGY CENTER IN UKRAINE (STCU)  
20<sup>TH</sup> ANNIVERSARY CELEBRATION**  
6th April 2016

Venue: Great Hall of the National Academy of Sciences of Ukraine, 55 Volodymyrska St.

14:00: Guest Arrival and registration

**14:30: Opening Ceremony**

**Welcome:**

Mr. Curtis "B.J." Bjelajac, STCU Executive Director

**Speakers:**

Eddie Maier, Chairman of the STCU Governing Board

Minister Serhiy M. Kvit, Ministry of Education and Science of Ukraine

Ambassador Geoffrey R. Pyatt, Embassy of the United States of America to Ukraine

Ambassador Jan T. Tombinski, Delegation of the European Union to Ukraine (TBC)

Ambassador Alisher Abdualiev, Embassy of Uzbekistan to Ukraine (TBC)

Ambassador Mikheil Ukleba, Embassy of Georgia to Ukraine

Charge d'affaires Nazim Aliyev, Embassy of Azerbaijan to Ukraine

Ambassador Ruslan Bolbochan, Embassy of Moldova to Ukraine

**15:00 – 17:00: Reception on the occasion of 20<sup>th</sup> Anniversary**



### **PRESS ANNOUNCEMENT: STCU 20<sup>th</sup> Anniversary Celebration**

In honor of 20 years of working towards a safer and better world, the Science and Technology Center in Ukraine (STCU) is planning a 20<sup>th</sup> Anniversary celebratory event in the Great Hall of the National Academy of Sciences of Ukraine (Volodymyrska Street 55), to be held on Wednesday, 6 April 2016, beginning at 14:30. This celebration will be held in conjunction with the 42nd meeting of the STCU Governing Board, which will include senior officials from the European Union, Ukraine, the United States, as well as officials from Azerbaijan, Georgia, Moldova, and Uzbekistan.

The STCU was the first intergovernmental organization in Ukraine and was established by an Agreement signed on 25 October 1993, by the four Founding Parties: Canada, Sweden, Ukraine, and the United States of America. The Agreement came into force on 4 May 1994, when Ukrainian President Kravchuk issued a decree accepting the STCU Agreement. The STCU began its first organizational steps, and became fully operational when it held its first Governing Board meeting on 14-15 December 1995.

Later, the European Union acceded to the STCU Agreement on 26 November 1998, replacing Sweden as a Party to the STCU Agreement. Over the years, Azerbaijan, Georgia, Moldova, and Uzbekistan joined STCU as Parties. On November 6, 2013, Canada withdrew from the STCU Agreement. Today, the STCU is headquartered in Kyiv and has regional offices in Baku, Chisinau, and Tbilisi, as well as in Kharkiv. Japan has also participated as a special sponsor of STCU projects.

The STCU was created to deter the spread of weapons-of-mass-destruction (WMD) knowledge by assisting former WMD experts in their transition to self-supporting, peaceful activities in the international science and business communities. In 2013, the STCU reshaped its vision to the following: “To advance global peace and prosperity through cooperative Chemical, Biological, Radiological, and Nuclear (CBRN) risk mitigation by supporting civilian science and technology partnerships and collaboration that address global security threats and advance non-proliferation.”

Since the first STCU Governing Board meeting in 1995, STCU has sponsored over 1,700 cooperative science research projects amounting to over \$270 million (USD equivalent) in research grant funding to Ukrainian, Azeri, Georgian, Moldovan, and Uzbek scientists. STCU has engaged nearly 21,000 scientists, of which approximately 12,000 were former weapon scientists during the Soviet era.



Since 1995, STCU has awarded the following amounts of project funding:

Azerbaijan = \$7.0M (USD equivalent)  
Georgia = \$16.6M (USD equivalent)  
Moldova = \$3.2M (USD equivalent)  
Ukraine = \$230.7M (USD equivalent)  
Uzbekistan = \$16.5M (USD equivalent)

Total Project Funding = \$274.0M (USD equivalent)

STCU has also connected Ukrainian, Azeri, Georgian, Moldovan, and Uzbek scientists and institutes to a wide variety of governmental- and non-governmental/commercial partners, including many American, Canadian, and European businesses. As of today, STCU has managed over \$124 million (USD equivalent) in R&D projects sponsored by these external partners. STCU has also provided assistance to scientists and institutes in forming professional contacts with leading American, Canadian, and European scientific experts, and providing training and other experience-building activities in areas such as patents, strategic planning, business management, and beneficial technology transfer and commercialization.

Since 1995, the total project funding contribution from STCU Funding Parties and other donors has been as follows:

Canadian Government = \$10.0 million (USD)  
European Commission = €49.5 million (Euros)  
Other European Government organizations = \$7.8 million (USD equivalent)  
Japanese Government = \$1.04 million (USD)  
Swedish Government = \$1.67 million (USD)  
U.S. Government = \$144.5 million (USD)

All non-governmental and private sector partners = \$47.0 million (USD).

STCU Contact Point: Olga Panchenko, +380-44-490-7150