



STCU 49th GOVERNING BOARD MEETING

Yerevan, Armenia
21 November, 2019

Wednesday the 20th of November

Arrival of Delegates

19:00 21:00 Reception hosted by ISTC and STCU at restaurant VOSTAN (8 Abovyan St., Yerevan)

Thursday the 21st of November

STCU 49th Governing Board Meeting

Venue:

Armenia Marriott Hotel Yerevan

1, Amiryan St, Yerevan, Armenia

Tel.: +374-10-599-000

<https://www.marriott.com/hotels/travel/evnmc-armenia-marriott-hotel-yerevan>

09:00 – 09:30 Welcome Coffee
09:30 – 12:30 Start 49th STCU Governing Board
12:30 – 13:30 Lunch
13:30 – 15:00 Continuation of 49th STCU Governing Board

Friday the 22nd of November

Departure of Delegates



STCU Governing Board 49
21 November 2019
List of Participants

CHAIR: Eddie MAIER, European Commission

Georgia

Zviad GABISONIA Director General
Shota Rustaveli National Science Foundation
Jaba SAMUSHIA Deputy Director General
Shota Rustaveli National Science Foundation

Moldova

Sveatoslav POSTORONCĂ Senior Consultant
Department for International Cooperation
& Sustainable Development
National Agency for Research and Development

South Korea

Yeun-Soo CHOI Office Director
Global Network, NRF
Sungbeen PARK Researcher
Global Exchange Program Team, NRF

Ukraine

Denis AVTONOMOV Chargé D'affaires
Embassy of Ukraine in the Republic of Armenia
Dmytro CHEBERKUS Director General
Directorate of Science
Ministry of Science and Education of Ukraine
Kateryna OVSIANA Chief specialist
Department of Science
Ministry of Education and Science of Ukraine

United States of America

Sarah BANERJEE Acting Board Member
Office of Cooperative Threat Reduction
U.S. Department of State
Regina CARTER National Nuclear Security Administration
U.S. Department of Energy

ISTC

Ronald LEHMAN Chairman of the Governing Board
David CLEAVE Executive Director
Sonya VEKSTEIN Chief Financial Officer



Secretariat STCU

**Curtis "B.J." BJELAJAC
Mykola LUBIV
Anthony NICHOL**

AGENDA
49th Meeting of the STCU Governing Board
November 21, 2019
Yerevan, Armenia

1. Opening Session

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

2. Administrative Topics

- 2.1 Adoption of the Agenda **Tab 1**

3. Morning Session

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|------|---|---------------------------------------|
| 3.1. | Review and Approval of minutes of 48th GB teleconference conducted on August 13th, 2019 | (GB Members) Tab 2 |
| 3.2. | Review of 49th Draft Record of Decisions, Funding Sheets & Press Release | (GB Members) Tab 3, 4, & 5 |
| 3.3. | Executive Director Report | (Curtis "B.J." Bjelajac) Tab 6 |
| 3.4. | Update on 2019 AOB/SB Expenditures | (Anthony Nichol) Tab 7 |
| 3.5. | 2020 AOB and SB Budget Request | (Anthony Nichol) Tab 8 |
| 3.6. | Model Partner Project Agreement Modifications | (STCU, US party) |

Lunch

4. Afternoon Session

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| 4.1 | Extension of STCU at Current Premises until Dec. 31, 2030 | (GB Members) Tab 9 |
| 4.2 | Presentation of 2018 Annual Report | (Curtis "B.J." Bjelajac) Tab 10 |
| 4.3 | Presentation of STCU Financial Forecasts | (Curtis "B.J." Bjelajac) Tab 11 |
| 4.4 | Approve 1 year Contract Extension of STCU ED | (GB Members) |
| 4.5 | Discuss/Approve 50 th & 51 st GB schedules | (Curtis "B.J." Bjelajac) |
| 4.6 | Sign 49th GB Record of Decisions and Funding Sheets | (GB Members) |

5. Closing Session

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| 5.1 | Final Issues/Statements from GB Members | (GB Members) |
| 5.2 | Closing Remarks/Adjournment | (Chairman, Governing Board) |

6. Continue discussion about future project co-financing with EU and GUAM Partners



Summary of the STCU 48th GOVERNING BOARD MEETING Teleconference August 13th, 2019

CHAIR: Mr. Eddie MAIER, Deputy Head of Unit, Head of Sector CBRN, International Cooperation and Development (DG DEVCO), Directorate B – People and Peace, Unit B/5 Security, Nuclear Safety, European Commission

European Union:

Mr. Sorin POPA, Programme Manager, International Cooperation and Development (DG DEVCO), Directorate B – People and Peace, Unit B/5 Security, Nuclear Safety, European Commission

Ukraine:

Mr. Maksym STRIKHA, Board Member, Deputy Minister, Ministry of Education and Science of Ukraine

United States of America:

Ms. Sarah BANERJEE, Acting Board Member, Office of Cooperative Threat Reduction, U.S. Department of State

Ms. Regina CARTER, Senior Advisor, Office of Nonproliferation and Arms Control, National Nuclear Security Administration, U.S. Department of Energy

Mr. Don Hatch, National Nuclear Security Administration, US Department of Energy

Secretariat STCU

Curtis “B.J.” BJELAJAC

Mykola LUBIV

Anthony NICHOL

1. Opening Remarks

Deputy Minister Strikha welcomed all to the 48th Governing Board Meeting teleconference from Kyiv on behalf of the Government of Ukraine and the Ukrainian scientific community. He went on to point out that a democratic election process has successfully finished both in Ukraine and the European Union this year. Mr. Strikha congratulated his partners in the European Union on their successful completion of the general European election, as a result of which the Ninth European Parliament will be formed. Mr. Strikha congratulated the EU on its ability, demonstrated during the election, to counteract Russia’s attempt to interfere with the election processes held in the European Union and Ukraine through cyber and disinformation attacks and propaganda activities. Mr. Strikha continued by stating that Ukraine hopes that its fruitful cooperation with the newly elected European Parliament and the European Commission will continue as regards to the implementation of Ukraine’s European integration aspirations, implementation of projects aimed at upgrading safety and security issues, and joint resistance to Russia’s aggression. He stated that the Government of Ukraine is confident that support of our state’s sovereignty, independence, and territorial integrity will remain constant in the bilateral relations between Ukraine and the European Parliament and generally the European Union.

Mr. Strikha officially informed all the teleconference participants that on July 10th of this year (2019), the Government of Ukraine approved the Procedure (also known as Host Government Concurrence), according to which the state gives its consent to the submission of a science and technology project for approval to the Governing Board of the Science & Technology Center in Ukraine so as to ensure that Ukraine performs its obligations related to international science and technology cooperation. This document significantly simplifies the procedure for obtaining Ukraine’s consent to the submission of projects for approval of the STCU Governing Board. Mr. Strikha continued by stating



that on the same date, the Government of Ukraine also approved the STCU staying in its current premises until 2030. As a result of this extension of use of the current premises (7a Metalistiv Street).

Mr. Strikha continued by thanking the EU and Chairman Maier personally for the accommodation of Mr. Strikha's request to provide travel support for select leading scientific experts from the EU and the USA to evaluate the nominees to the Scientific Committee to the National Council of Ukraine for Science and Technology Development.

Mr. Strikha brought his opening remarks to a close by once again reiterating his welcome to all the participants on the phone call, and wished them a fruitful and enjoyable teleconference meeting.

Chairman Maier thanked Deputy Minister Strikha for his comments, specifically for his praise of the recently completed European Parliamentary elections.

Ms. Banerjee thanked Deputy Minister Strikha for the very warm welcome, and thanked the other members of the GB for the excellent preparations done for the call. She concluded by welcoming the two pieces of good news approved by the Government of Ukraine (HGC and extension of the premises to 2030) especially given what the STCU's sister center (ISTC) has dealt with in recent years in relation to its premises in Nur-Sultan (former Astana).

2. Discussion of four (4) requests from Ukrainian Beneficiaries (Border Guards, State Emergency Service, Min. of Energy, and Min. of Infrastructure) for possible funding in terms of improvement and modernization of integrated information and Cyber-Security management systems, as well as a request from Ukrpochta for assistance with radiation detection in its central distribution facility.

Deputy Minister Strikha initiated the discussion by mentioning that Ukraine has been subjected in the recent past to large-scale cyber-attacks on Ukrainian state structures, private companies, banking sector and other strategic institutions, such as Chernobyl Nuclear Power Station. As a result of these attacks, Mr. Strikha wanted to call the Board's attention to this very important issue and to discuss the possibility of the urgent upgrade of the comprehensive information security management systems in Ukraine. Mr. Strikha pointed out that at the previous Governing Board meeting in Kyiv, all agreed that cybersecurity must be added to the key missions and objectives of the STCU's activities.

Mr. Strikha continued by stating that this year, he was officially addressed by a number of Ukrainian Beneficiaries, namely the Ministry of Energy and Coal Industry, the Ministry of Infrastructure, the State Emergency Service of Ukraine and the State Border Guard Service of Ukraine. Mr. Strikha requested that all the Board members acquaint themselves in detail with the letters and draft presentations forwarded by the STCU's Executive Director. Mr. Strikha called on his US partners for help in this matter, because as far as Mr. Strikha knows there is currently close cooperation both by the U.S. Department State and the U.S. Department of Energy with the Ministry of Energy and Coal Industry of Ukraine in the area of upgrading cyber security of Ukraine's energy facilities.

Mr. Strikha continued by addressing his European partners, and reminding them of their previous successful cooperation with the State Border Guard Service of Ukraine (a large EU project was already implemented by the STCU). He asked that the EU pay attention to the information provided by the State Border Guard Service in the hopes that the EU will have positive comments. In the context of the ongoing military conflict, the probability of devastating consequences of cyber attacks on the State Border Guard Service of Ukraine is especially high. Mr. Strikha continued by pointing out the following risks: 1). a violation of the stable functioning of the border checkpoints, 2). damage to the functions of the integrated management system of state border security, and 3). a disruption of the operation or planting of misinformation in the existing mechanisms of open statistical and analytical data exchange between the integrated management of borders and border control bodies of EU Member States, the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, international organizations and institutions, and so on.

Mr. Strikha continued by stating that the other requests are also very important (i.e. letters from the Ministry of Infrastructure State Emergency service of Ukraine, and Ukrpochta) and kindly requested that the Board maintain an active dialogue in the process of reviewing these projects. Mr. Strikha concluded by stating that he is aware that the Board will probably not be able today to respond to all the requests, but he hopes and expects that some of the issues raised will be supported in the future.

The ED asked the U.S. Department of Energy if they had any comment on the cyber-security projects put forward today by Mr. Strikha. Ms. Carter responded that she forwarded the proposals to the U.S. Department of Energy's International Affairs office who manage the bi-lateral contact with Ukraine. Ms. Carter is aware that this office is in contact with Ms. Connie McAninch (the acting Energy Attache in the U.S. Embassy in Kyiv) in regards to cyber-security but it is Ms. Carter's understanding that the activities for the year have already been planned. Ms. Carter concluded by urging the STCU to discuss these proposals with Heather Bell (the permanent Energy Attache who will return to post in late September '19) to see if there is any interest in funding these proposals.

The ED mentioned there will be a donor coordination meeting in Odessa at the beginning of September and at that meeting both the ED and Senior DED (Mr. Lubiv) will raise this matter with the DOE representatives scheduled to be there (i.e. Energy Section of the U.S. Embassy, Scott Shrum, etc.). The ED also encouraged Mr. Strikha to work with the Ministry of Foreign Affairs (Mr. Kapustin) to get these proposals added to Ukraine's list of proposals submitted for review at the upcoming Global Partnership Meeting scheduled to be held in Paris on October 9th and 10th.

The ED asked if the EU had any comments in relation to the proposals put forward. Chairman Maier thanked Mr. Strikha for submitting the proposals. The Chairman looked at them and they looked quite interesting. The Chairman pointed out that cyber-security is not only high on the agenda for Ukraine, but also for the European Union.

Mr. Maier went on to say that the proposals are much more in line with what the EU is looking for (i.e. ambitious projects with a focus on national priorities) and that he will forward the proposals to the cyber-security specialist within DEVCO in order to obtain their comment. Furthermore, he will ask that Mr. Popa contact the EU Delegation in Kyiv to see if there is a mechanism for funding these proposals in their system. Also, he concluded by asking that the STCU follow-up as well with the EU Delegation to Ukraine to ensure that the proposals are considered properly, as Mr. Maier sees these type of projects as important to both Centers as they lend themselves to high visibility.

The ED agreed to follow-up with the EU Delegation to Ukraine to determine if there is a funding mechanism that might be employed to fund these projects. The ED asked if Ms. Banerjee on behalf of the entire US Party had any comments on this matter.

Ms. Banerjee thanked Mr. Strikha for the introduction and overview of the cyber-security issues facing the Government of Ukraine. However, Ms. Banerjee highlighted that the U.S. Department of Energy was much better positioned to tackle this issue than her office in the Department of State and thus the US would look to DOE to lead the charge on these proposals.

3. Review and Approval of minutes of 47th GB held on December 6th, 2018 in Kyiv, Ukraine

The Governing Board approved the minutes as presented.

4. Review of 48th Draft Record of Decisions and Funding Sheet

Mr. Bjelajac called the Board's attention to the draft 48th Record of Decisions and Funding Sheet for approval by the GB at the end of the teleconference.

5. Executive Director Report

Mr. Bjelajac submitted his report that covered the period of November 10, 2018 to June 14, 2019. Mr. Bjelajac highlighted the following issues in the report:

- A. The ED updated the Governing Board on the STCU's search for a U.S. bank. The STCU has continued to work with the ISTC to determine banking alternatives (i.e. Citibank, HSBC, ING Bank, etc.). To date, this outreach effort to alternative banks in the United States has proved fruitless. As a result, the STCU finalized with its bank in Brussels (BNP Paribas Fortis Bank) to use their services not only for our EUR accounts, but also our USD accounts. By February 28, 2019 the STCU transferred all USD out of Deutsche Bank and into BNP Paribas Fortis Bank, and subsequently closed its accounts with DBTCA. The search for a U.S. bank is still ongoing.
- B. The ED updated the Governing Board on the progress of the PChP project which has recently been hampered by two issues outside of STCU's control:
 - ✓ The site contains a number of buildings and areas of land that are owned by private entities but which need to be included in the control areas for safety and security which are to be constructed, the cooperation of these private entities is required for the successful completion of a number of tasks in the project;
 - ✓ The site operator SE Barrier has not been provided with sufficient funding from the state budget to enable it to operate and some of its funds have been sequestered by the courts. Without SE Barrier and its workforce being in a stable state, the implementation of the project, which is designed such that the consultants and suppliers work in partnership with the operator to build capacity for the site's management and safe control going forward, is being hindered. The Ukrainian government has allocated funds for the PChP site but the funds have not been paid to the operator and the Ministry of Energy is in the process of rearranging aspects of the operation of its entities at PChP within the State Targeted Programme for remediation of former nuclear sites.

The ED pointed out that these matters are outside of STCU's control and the European Commission is working with the Ukrainian government and the private entities to resolve the two problems.

- C. The ED reminded the Governing Board that DTRA and STCU signed a contract in the amount of \$2,169,839 on May 29th, 2018 to continue the work implemented in Azerbaijan by Black & Veatch after its contract there ended on April 4, 2018. The project started on June 1, 2018 and will last for eighteen (18) months. However, there is an option to extend the project for twelve (12) months at an additional cost of \$1,405,962, thus bringing the potential length of the project to thirty (30) months and cost of the project to \$3,575,801. As of the time of the teleconference, DTRA had not informed STCU if they intended to invoke the option for an additional 12 months.

The STCU is in on-going discussions with DTRA on future collaboration, and as part of these discussions, the Executive Directors travelled to Fort Belvoir, VA, U.S.A. on May 21, 2019 to continue discussions with Randall Long, Deputy Head of DTRA's Cooperative Threat Reduction Program, (Randy attended the back-to-back December '18 Center Board meetings in Kyiv) and his team. The Centers and DTRA both agree that there are some efforts we can pursue together, but these still need to be flushed out a bit more with Dr. Pope (Head of DTRA/CTR) and the team at DTRA in the coming months. DTRA is concerned about the U.S. banking situation facing the Centers and has asked that the Centers keep them posted on any progress in this area. Finally, DTRA has stated that while they value the past efforts and uniqueness of what the Centers have to offer, DTRA's current acquisition procedures prevent them from "sole source" funding (even to international organizations) without some sort of strong and unique justification. This issue is something that the Centers and DTRA will continue to discuss.

Mr. Strikha thanked the ED and STCU Secretariat for their fruitful activities illustrated in this report for the past half year. Mr. Strikha informed the Board that he will do his best in coordination with Senior Deputy Executive Director Lubiv to work with the new Government of Ukraine (scheduled to take office in September '19) to ensure that there is a serious attitude shown towards the PChP project, which is an extremely important social project for Ukraine. Mr.



Strikha concluded by stating that he highly appreciates the CleanSky projects and would like to thank both the EU for funding these projects and the STCU for its assistance in helping these projects to realize their goals.

6. Presentation of the Audited Financial Statements as of Dec. 31, '18 and 2018 Management Letter

Mr. Anthony Nichol drew the Board's attention to the critical aspects of the Financial Statements:

- A. The financial statements are predominately the same as in previous years.
- B. The Statement of Revenues and Expenditure for the year ended 31 December 2018 shows that STCU had a successful and busy year with \$10M of project income and expenditure. The actual expenditure on AOB was \$823,000 which as a percentage of project expenditure is 8.2% (in line with the historical STCU benchmark of 10%) showing that STCU had a very busy year and efforts to become more efficient are bearing fruit.
- C. The balance sheet shows that the STCU is in a very strong financial position, with \$39M net assets predominately in cash at bank and \$23M in Designated Capital Contributions – Projects. The DCC-Projects balance plus the new projects approved since the year end informs management that the STCU should average approximately \$6M to \$10M a year in projects over the next three years (2019-21).
- D. The Undesignated Capital Contributions of \$14M which will be used to cover AOB, SB and projects in the coming years shows that STCU will more than likely have sufficient funds to cover all operations for the years 2019-2021 and is in a relatively strong position to face the challenges ahead without consideration given to new funds to be received in that same period. We will discuss this in more detail in December when we present the budget for 2020 and our updated financial forecast.
- E. Since the year end the bank accounts at Deutsche Bank have been closed, as discussed previously in the ED Report, and funds transferred to BNP Paribas. This has led to a further concentration of risks with STCU dependent on one major bank.

Ms. Banerjee asked if there is still an active search ongoing for a bank within the Federal Reserve System. The ED responded that yes indeed there is an ongoing search with both Centers working with their contacts to try and develop a relationship with a U.S. bank. The ED gave the example of his efforts to reach a former U.S. Department of State ISN/CTR colleague named Julie Mills who is currently working for the Treasury Department. Given her position in the Treasury Department, the ED was hoping that Ms. Mills could provide a contact of a bank that would be open to working with international organization domiciled in Kyiv and Nur-Sultan. Unfortunately, Ms. Mills had departed her position at the Treasury at the beginning of 2019, and was unable to provide any contacts that the Centers could utilize. Despite setbacks such as these, the Centers continue to reach out to U.S. banks to determine if a relationship can be established.

Mr. Nichol continued by presenting the auditor's Management Letter which highlights the auditor's suggestions for improvements that can be made by management in order to improve the processes and controls over its operations. Mr. Nichol pointed out that the 2018 Management letter contains some minor accounting matters derived from different reporting demands of the financial statements and our project partners which the STCU will work to resolve so that they are not included in next year's document.

7. Approve two-year extension of Senior DED-UA and one-year extension of CFO/CAO

Mr. Strikha requested the Board to support the Ministry of Education and Science's request to prolong the contract with current Senior Deputy Executive Director Mr. Lubiv for a 2-year period to December 31, 2021. Mr. Strikha pointed out that Mr. Lubiv is closely engaged as the coordinator in a number of European projects as part of Horizon 2020, and as you may know, these projects are quite long in duration. The two-year extension of Mr. Mykola Lubiv as Senior DED-UA and the one-year extension of Mr. Anthony Nichol as CFO/CAO were approved by the Board.

8. Management changes to the model partner project agreements

The ED reminded the Board that this issue was first raised at the 47th STCU Governing Board in Kyiv on December 6, 2018. At that meeting, the US Party asked the Secretariat for the following next steps:

- A. The Secretariat should send to the Board a detailed explanation of the proposed changes to the model partner project agreement with Energoatom (project involves physical protection at the South Ukraine Nuclear Power Plant) in order to receive Board approval for those changes.
- B. The Secretariat should send to the Board draft wording for a decision to be included in the 48th STCU Governing Board (this teleconference) Record of Decisions which provides the STCU Secretariat with written authorization to make changes to the model partner project agreement going forward.

The ED informed the Board that on January 23, 2019, the ED emailed an explanation as required in item A above and received positive approval from the U.S. Party on January 31, 2019 and negative concurrence from Ukraine and the EU (the e-mail asked for any objection by February 15, 2019 and the STCU received none).

In relation to item B above, the STCU consulted with the US Party and eventually sent draft wording included in the draft 48th Governing Board's Record of Decisions on June 14, 2019. The draft wording would allow the STCU Secretariat to make changes to the model partner project agreements that do not "significantly" impair the rights and responsibilities of the Center. During the discussion on this topic, the ED incorrectly paraphrased the wording of the draft decision using the term "material" versus "significant". Materiality is a concept used in the financial world, especially when it comes to audit/attest. This incorrect paraphrasing led to some confusion, with the ultimate result being that the Board was not entirely comfortable with the draft wording presented, and all agreed that the draft decision should be removed from the 48th Governing Board Record of Decisions and this topic should be discussed further and placed on the agenda for the 49th Governing Board in the fall.

The ED requested and the Governing Board agreed that the US Party take the draft decision as presented and modify as required. The US Party agreed and mentioned that they would speak to their legal advisers about any changes and send out a revised draft to the Governing Board for review by October 15th, with the hope that a final decision can be approved at the 49th Governing Board in the fall.

9. Approve 49th GB schedule

The Governing Board agreed to conduct the 49th STCU Governing Board meeting "back-to-back" with ISTC's 69th Governing Board Meeting on November 20th (ISTC) and 21st (STCU), 2019, in Yerevan, Armenia.

10. Any other business and closure

There being no further business to discuss the teleconference was completed.

Executive Director Report

(Reporting Period: June 15 – October 25, 2019)

Party Issues

STCU's U.S. Bank

There has been no reportable movement on this issue since the update in August 2019.

New Emergency Implementation Measures for Pridniprovskiy Chemical Plant (PCHP) at Kamianske (formerly Dniprodzerzhynsk) in Ukraine Project

On November 30, 2016 the STCU signed a contribution agreement (Agreement #INSC/2016/379-607) with the EU which provides €3.5M of funding for implementing emergency measures at the PCHP. During its operation from 1947 to 1992, PCHP was one of the largest producers of uranium in the former Soviet Union. It processed uranium ores of different geochemical composition from mines located in Ukraine, Central Asia, and Eastern Europe (i.e. the Czech Republic and Germany). As a result of these activities, the site is highly contaminated, with recent radiological surveys (Phase 1 - funded by the European Commission as well and performed as a precursor to this project) showing that the contamination consists predominantly of radio-nuclides from the U-238 decay series with activity concentrations ranging from a few Bq/g over many hundreds of square meters to hundreds of Bq/g over many tens of square meters.

The principal objective of this project (Phase II) is to implement a number of emergency measures that will immediately improve the safety and security of the PCHP site. These measures are also necessary precursors to the long-term remediation of the site (Phase III – which the EC is considering funding via the STCU in the amount of €5M).

The PChP project is divided into four parts: 1). a technical services contract: to design and supervise construction of infrastructure improvements to make the site safe and secure; to design and implement (through training) a safe operating system; to determine equipment requirements; and to conduct public awareness, 2). a technical services contract to write laws and regulations to govern the management of legacy radiation sites, 3). a construction contract to build the necessary infrastructure to safeguard the site and reduce the spread of nuclear contamination and chemical poisoning, and 4). an equipment supply contract to provide the equipment, protective clothing, etc to enable the site operator SE Barrier to safely manage the site going forward.

The contracts for the technical services and the regulatory framework have been signed and are being implemented. Under the contract for the first area an additional task was identified to assist the site operator SE Barrier to obtain a new license from the SNRIU (the Regulator). This has been achieved however there are conditions that still need to be fulfilled by Barrier to maintain the license. Some of the equipment under task 4 has been supplied as a consequence of this additional task in preparing Barrier of their license.

The designs for the construction work have been prepared and are awaiting approval by SNRIU. STCU has tendered the construction works and the supply of further equipment; however, before the STCU can complete the tenders and proceed to contracts and to performance of works and delivery of goods, the issue about the funding of Barrier has to be resolved to the satisfaction of the European Commission.

- ✓ The site operator SE Barrier has not been provided with sufficient funding from the state budget to enable it to operate and some of its funds have been sequestrated by the courts. Without Barrier and its workforce being in a stable state, the implementation of the project, which is designed such that the consultants and suppliers work in partnership with the operator to build capacity for the site's management and safe control going forward, is being hindered. The Ukrainian government has allocated funds for the PChP site but the funds have not been paid to the operator and the Ministry of Energy is in the process of rearranging aspects of the operation of its entities at PChP within the State Targeted Programme for remediation of former nuclear sites.

These matters are outside STCU's control and the European Commission is working with the Ukrainian government to resolve the problem. The SNRIU is reviewing the changes made to resolve the operating license and once funds have been made available Barrier should have its license returned.

Due to successful meetings in September with the Government of Ukraine, the EC instructed the STCU to initiate procurement proceedings for a small part of the construction project (renovation of the ventilation system at the Analytical Laboratory of SE Barrier on the PChP Site). Thus, the project moves forward; however, at a much slower pace than desired.

STCU Conducts COnference on Nonproliferation and Dual-use awarENEss (CONDESE) 28-30 August 2019, Ypres, Belgium

On 28-30th August STCU and ISTC co-hosted a conference within the EU Export Control Targeted Initiative in Ypres, Belgium. The conference brought together young scientists and participants from 17 countries. Ypres was the site of the first large scale use of chemical weapons during World War I. With this history as a backdrop the participants mulled over questions of responsibility, innovation, technological trajectories and the potential for misuse of scientific and technological developments.

The conference kicked off on Wednesday night when the group attended the Last Post ceremony at Menin Gate, held every night since 1928, followed by the conference dinner. On Thursday, each participant gave a 6 minute lightning talk on their research and societal implications which served to prime the participants and allow them to get acquainted.

In the afternoon the group visited DOVO-Poelkapelle, an explosive ordnance disposal facility that destroys the explosive war legacy, 200 metric tonnes annually, including chemical munitions. The visit concluded with a walk shop, a brain storming exercise whilst walking, in the fields around the facility contemplating the role of scientists.



The conference concluded in the late afternoon of Friday, 30 August with a good number of participants eager to use the opportunity to formalize networks and elaborate proposals for further work.

Project to Provide Continuation of DTRA's Mentorship Program in Azerbaijan

DTRA and STCU signed a contract in the amount of \$2,169,839 on May 29, 2018 to continue the work implemented in Azerbaijan by Black & Veatch after its contract there ended on April 4, 2018. The goal of the project is to plan, develop, and implement a sustainable mentorship program in Azerbaijan in support of the Threat Agent Detection Response (TADR) system, comprised of a Central Reference Laboratory (CRL), Zonal Veterinary Laboratories (ZVL), and Anti-Plague Division (APD) Laboratories. Upon successful completion of the mentorship program implementation, responsibility for diagnostic and laboratory maintenance sustainment will be transitioned to the Government of Azerbaijan.

The project started on June 1, 2018 and will last for eighteen (18) months. Unfortunately, on September 6, 2019 the STCU was informed by DTRA's contracting unit that it would not extend the option of twelve (12) additional months at an additional cost of \$1,405,962, which would have brought the length of the project to thirty (30) months and the cost of the project to \$3,575,801. Thus, this project will end as currently scheduled on November 30, 2019 (just after the GB meeting in Yerevan).

Dr. Robert Pope, the Director of Cooperative Threat Reduction for DTRA, was kind enough to send a personal e-mail to the STCU within which he stated, "I would like to stress that DTRA's course of action in this matter was an internal acquisition decision and in no way was it a reflection of the STCU's performance on this effort."

Finally, the Centers are still in on-going discussions with DTRA on future collaboration. The Centers and DTRA both agree that there are some efforts we can pursue together, but these still need to be flushed out a bit more with Dr. Pope and the team at DTRA.

Table Top and Field Exercise in Serbia in 2020/2021 (LIONSHIELD2)

The EU has asked the STCU to work with the Deputy Head of the Regional Secretariat of the SEEE region to conduct table top (TT) and field exercises (FE) related to Chemical Security in Serbia in 2020/2021. This exercise is a follow-on to the successful LIONSHIELD exercise conducted in Tbilisi, Georgia in June 2018.

The STCU is currently in the very beginning stages of the planning for this event with the identification of the exercise site and scenarios still under consideration.



Current Secretariat Activities

Partner Program/Sustainability Activity

The 48th GB approved a total of ten (10) new partner projects totaling roughly \$2.09M (\$377,070 and €1,533,639), as well as sixteen (16) new partner project extensions totaling roughly \$1.18M (\$924,338 and €231,718). Couple this with the partner projects expected to be approved at the 49th GB in November 2019 (~\$7.05M) and 2019 should see approximately \$10.32M of new partner project funding received. Partner project funding in 2018 was \$9.59M, so 2019 slightly higher for partner funding year-on-year. The STCU expects that going forward partner project funding will be in a band of approximately \$6M - \$8M per year (despite the last couple of years being higher). Contrast this with a few years ago, when the band was approximately \$8M - \$12M.

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 110 active projects in October 2019).

2019 will prove to be close to \$12.5M in total project funding, due in large part to the excellent year in partner projects mentioned in the section above.

	2012	2013	2014	2015	2016	2017	2018	October 2019
Avg # of Active Projects	228	179	125	120	110	135	135	110
Board Approved Project Funding (USD)	\$17.7M	\$12.7M	\$14.1M	\$4.72M	\$11.2M	\$15.6M	\$13.5M	\$12.5M*

* \$12.5M is the amount of funding approved for the period of Jan. 2019 – October 2019.

Important Visitors/Meetings/Events

ED attends Information Sharing Initiative for Nuclear Security in Ukraine, (28th to 30th August 2019, Ypres, Belgium). The ED attended the CONDENSE conference co-hosted by the ISTC and STCU within the EU Export Control Targeted Initiative in Ypres, Belgium. The conference brought together young scientists and participants from 17 countries (from GUAM and Central Asia) who analyzed questions of responsibility, technological trajectories, and the potential for misuse of scientific and technological developments.

ED attends Information Sharing Initiative for Nuclear Security in Ukraine, (4th and 5th September 2019, Odessa). Organized by the STCU and The State Border Guard Service of Ukraine, with the financial support of the Department of Business, Energy, and Industrial Strategy of the United Kingdom, the ED and SDED attended the forum which provides a venue for the exchange of



information on technical assistance to Ukraine in the areas of concern to the Nuclear Security Sub-Working Group.

Initial LIONSHIELD2 Meetings with the representatives of the Government of Serbia (10th and 11th September, 2019, Belgrade)

The STCU ED and SDED traveled to Belgrade to meet with the Deputy Head of the Regional Secretariat of the SEEE, NFP of Serbia, as well as the OSA, to initialize discussions for the proposed Table Top and Field exercise to be conducted in 2020/2021 in Serbia (discussed earlier in this report).

Attendance of Global Partnership Working Group Meetings (October 8 and 9, 2019, Paris, France). The STCU ED traveled to Paris and met with representatives of global partnership programs (i.e. EU, Germany, U.S., Norway, etc.) to discuss ways the STCU may act as an implementing organization for their activities in the GUAM region.

Curtis "B.J." Bjelajac
Executive Director



STCU 2019 Actual to budget

Annual Operating
Budget





Overall Budget

Science and Technology Center in Ukraine Budget for 2020 AOB

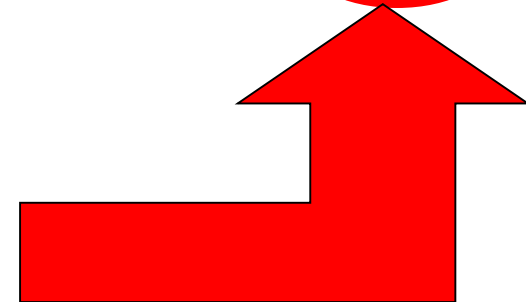
Administrative Operating Expenses	Budget \$	Actual \$	Remaining \$	2019	Forecast final 4 months \$	Forecast full year \$	Percentage Utilised %
				Percentage Remaining %			
Non-Recurring Expenses	17,500	16,699	801	4.58	4,900	17,279	99%
Recurring Expenses							
Personnel	495,000	307,790	187,210	37.82	148,815	456,605	92%
Travel	89,000	47,509	41,491	46.62	23,122	69,365	78%
Office Operations	123,500	37,741	85,759	69.44	31,638	69,379	56%
Branch Offices	31,000	4,629	26,371	85.07	20,315	24,944	80%
Contracted Services	68,000	3,906	64,094	94.26	56,953	60,859	89%
Subtotal Recurring Costs	806,500	401,575	404,925	50.21	280,842	681,151	84%
Contingency - Recurring	11,000	0	11,000	100.00	0	0	0%
Total Administrative Expenses	835,000	418,274	416,726	49.91	285,742	698,430	84%

Personnel Costs

Administrative Operating Expenses	Budget \$	Actual \$	Remaining \$	2019	Forecast final 4 months \$	Forecast full year \$	Percentage
				Percentage Remaining %			Utilised %
Personnel	495,000	307,790	187,210	37.82	148,815	456,605	92%
Local Grant Payments	395,000	259,872	135,128	34.21	129,936	389,808	99%
Staff Education & Training	37,000	4,636	32,364	87.47	2,318	6,954	19%
Employee Morale & Welfare	22,000	10,921	11,079	50.36	5,460	16,381	74%
Medical Plan	41,000	32,361	8,639	21.07	11,100	43,461	106%



**Possible Overspend
so Secretariat will
ask for approval in
RoD just in case**



Ukrainian Currency Strengthened

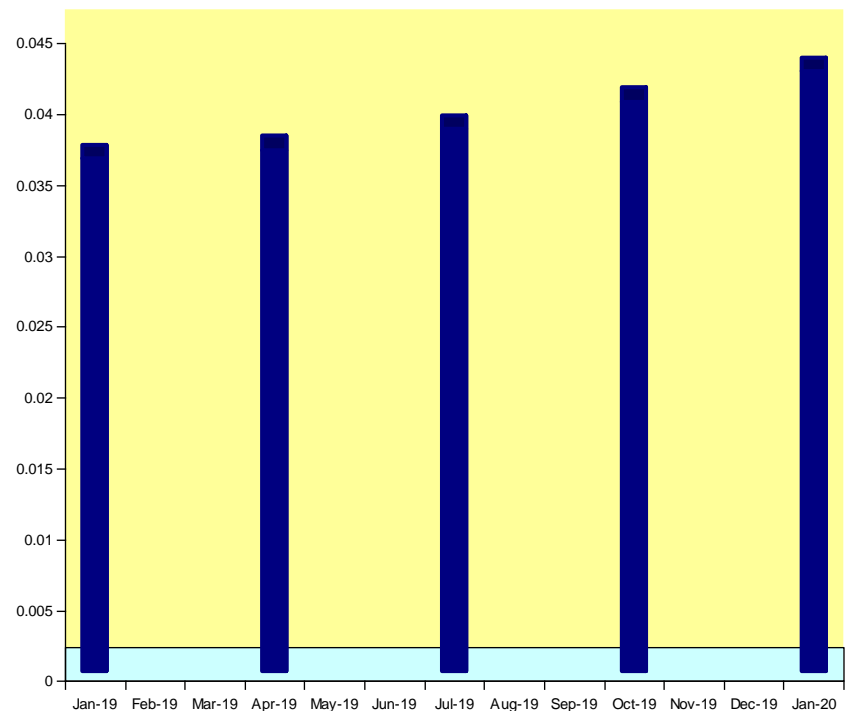
■ Appreciation of Hryvnia against US \$

- 1 Jan 27.69
- 1 Apr 27.21
- 1 Jul 26.18
- 24 Oct 24.89

■ Projection

- 1 Jan 2020 23.62

\$: UAH



Office Operations

Administrative Operating Expenses	Budget \$	2019	Percentage	Saving
		Forecast full year \$	Utilised % %	
Office Operations	123,500	69,379	56%	54,121
Representation	3,000	2,925	97%	75
Postage & Delivery	4,000	1,133	28%	2,867
Customs Facilitations	500	0	0%	500
General Office Supplies	7,000	3,017	43%	3,983
Office Equipment Repair & Maintenance	3,000	0	0%	3,000
Printing & Reproduction	3,000	2,030	68%	970
Telecommunications Services	11,000	4,688	43%	6,312
Business Meetings	6,000	6,000	100%	0
Subscriptions & Publications	2,000	1,011	51%	989
Building Supplies	5,000	2,574	51%	2,426
Insurance	4,000	2,635	66%	1,365
Bank Fees - Offshore	55,000	30,279	55%	24,721
Bank Fees - Onshore	20,000	13,088	65%	6,912

Bank Charges

- Change of bank
 - US dollar accounts now in Brussels
 - Different charging structure
- Change of type of projects implemented
 - Larger projects
 - Fewer transactions
 - Lower bank charges





STCU 2019 Actual to Budget

Annex: AOB actual to budget full comparison

Science and Technology Center in Ukraine

Budget for 2020

AOB

AOB actual
to budget
full
comparison

Administrative Operating Expenses	Budget \$	Actual \$	Remaining \$	2019	Forecast final 4 months \$	Forecast full year \$	Percentage Utilised %
				Percentage Remaining %			
Non-Recurring Expenses							
Facility Improvements	2,000	208	1,792	89.62	1,700	1,908	95%
Office Equipment	2,000	406	1,594	79.72	1,500	1,906	95%
Computer Hardware	2,000	1,474	526	26.32	500	1,974	99%
Computer Software	11,500	10,292	1,208	11%	1,200	11,492	100%
Non-Recurring Expenses	17,500	16,699	801	4.58	4,900	17,279	99%
Recurring Expenses							
Personnel	495,000	307,790	187,210	37.82	148,815	456,605	92%
Local Grant Payments	395,000	259,872	135,128	34.21	129,936	389,808	99%
Staff Education & Training	37,000	4,636	32,364	87.47	2,318	6,954	19%
Staff Education & Training - ED	8,000	0	8,000	100.00	0	0	0%
Staff Education & Training - CFO	20,000	2,700	17,300	86.50	1,350	4,050	20%
Staff Education & Training - DED UA	9,000	1,936	7,064	78.49	968	2,904	32%
Employee Morale & Welfare	22,000	10,921	11,079	50.36	5,460	16,381	74%
Medical Plan	41,000	32,361	8,639	21.07	11,100	43,461	106%
Travel	89,000	47,509	41,491	46.62	23,122	69,365	78%
International Travel	29,000	11,640	17,360	59.86	5,820	17,460	60%
Travel withing the CIS	50,000	31,334	18,666	37.33	15,034	45,102	90%
Travel withing the CIS - Monitoring	26,000	23,462	2,538	9.76	11,731	35,193	135%
Travel withing the CIS - ED	24,000	6,606	17,394	72.47	3,303	9,909	41%
Local Travel	10,000	4,535	5,465	54.65	2,268	6,803	68%
Office Operations	123,500	37,741	85,759	69.44	31,638	69,379	56%
Representation	3,000	1,616	1,384	46.12	1,308	2,925	97%
Postage & Delivery	4,000	755	3,245	81.11	378	1,133	28%
Customs Facilitations	500	0	500	100.00	0	0	0%
General Office Supplies	7,000	2,011	4,989	71.27	1,006	3,017	43%
Office Equipment Repair & Maintenance	3,000	0	3,000	100.00	0	0	0%
Printing & Reproduction	3,000	20	2,980	99.33	2,010	2,030	68%
Telecommunications Services	11,000	3,125	7,875	71.59	1,563	4,688	43%
Business Meetings	6,000	0	6,000	100.00	6,000	6,000	100%
Subscriptions & Publications	2,000	674	1,326	66.32	337	1,011	51%
Building Supplies	5,000	1,716	3,284	65.68	858	2,574	51%
Insurance	4,000	1,756	2,244	56.09	878	2,635	66%
Bank Fees - Offshore	55,000	17,341	37,659	68.47	12,938	30,279	55%
Bank Fees - Onshore	20,000	8,725	11,275	56.37	4,363	13,088	65%
Branch Offices	31,000	4,629	26,371	85.07	20,315	24,944	80%
Branch Offices - Kharkiv	2,000	882	1,118	55.89	441	1,323	66%
Branch Offices - Baku	6,000	2,118	3,882	64.70	1,059	3,177	53%
Branch Offices - Chisinau	5,000	1,629	3,371	67.42	814	2,443	49%
Branch Offices - Tbilisi	18,000	0	18,000	100.00	18,000	18,000	100%
Contracted Services	68,000	3,906	64,094	94.26	56,953	60,859	89%
Legal Services	5,000	307	4,693	93.86	154	461	9%
Accounting & Auditing	43,000	0	43,000	100.00	43,000	43,000	100%
Other Professional Services	20,000	3,599	16,401	82.01	13,799	17,398	87%
Subtotal Recurring Costs	806,500	401,575	404,925	50.21	280,842	681,151	84%
Contingency - Recurring	11,000	0	11,000	100.00	0	0	0%
Total Administrative Expenses	835,000	418,274	416,726	49.91	285,742	698,430	84%



STCU 2020 Budget Request



Annual Operating Budget
and
Supplementary Budget

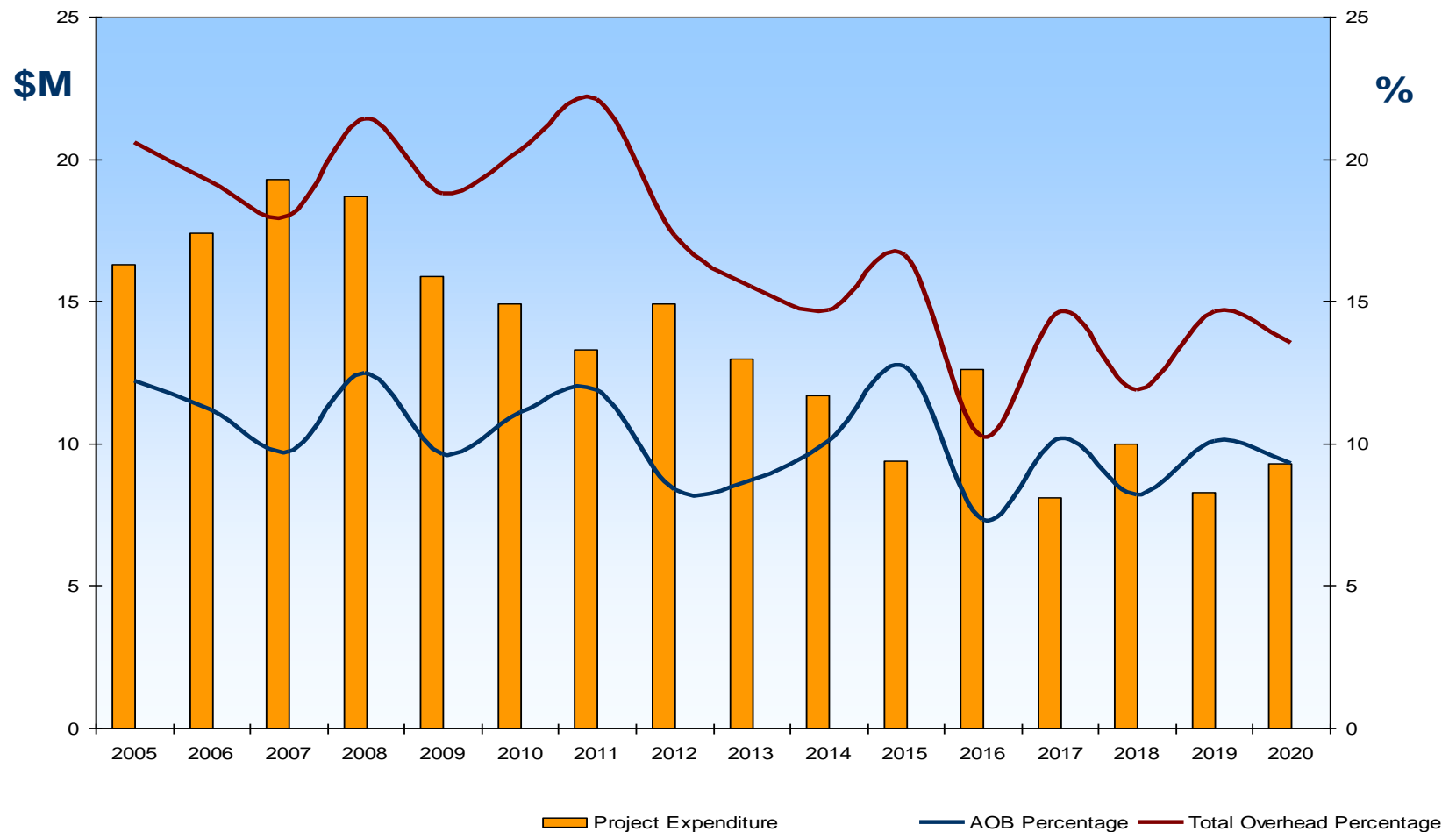
Starting Point

- Results of STCU operations in recent years
 - Project and SB actions implemented
 - Staffing and financial resources to support the activities implemented
- Anticipated work load
 - Expected project volume from projected capital position
 - Supplementary budget actions agreed with parties



STCU Operations

Project Volumes and Overhead Percentages



Projected Capital



	UCC \$m	DCC Projects \$m
Balance at 1 January 2019	14.3	23.1
New projects signed	(2.1)	11.5
Funds received / receivable	3.5	-
Project expenditure	-	(13.5)
AOB and SB 2020	(2.0)	-
Balance at 31 December 2019	13.7	21.1

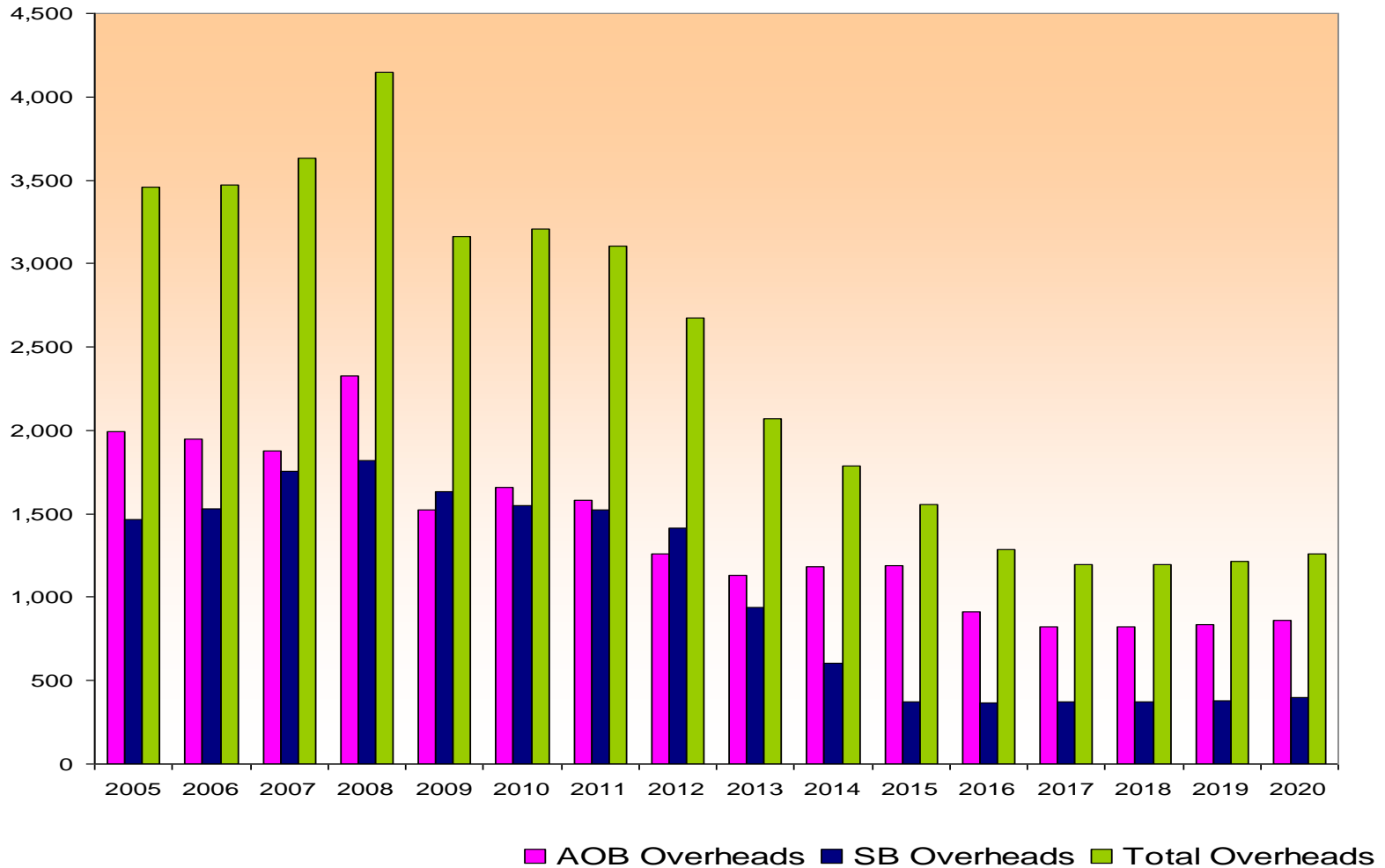
Anticipated Workload

- Estimated 2020 project expenditure = \$ 10.6m
 - DCC Projects at 1 January 2020 is projected to be \$ 21.1 and average project is just over two years
 - Further funding party and partner projects expected to be signed during the year from UCC and new money
- Supplementary Budget
 - EU actions Export Control year 3 (\$ 500,000) & Lion Shield 2 (\$ 170,000)
 - Partner SB actions \$ 200,000
- Total workload is estimated as being at least \$ 11.5m

Resources Required

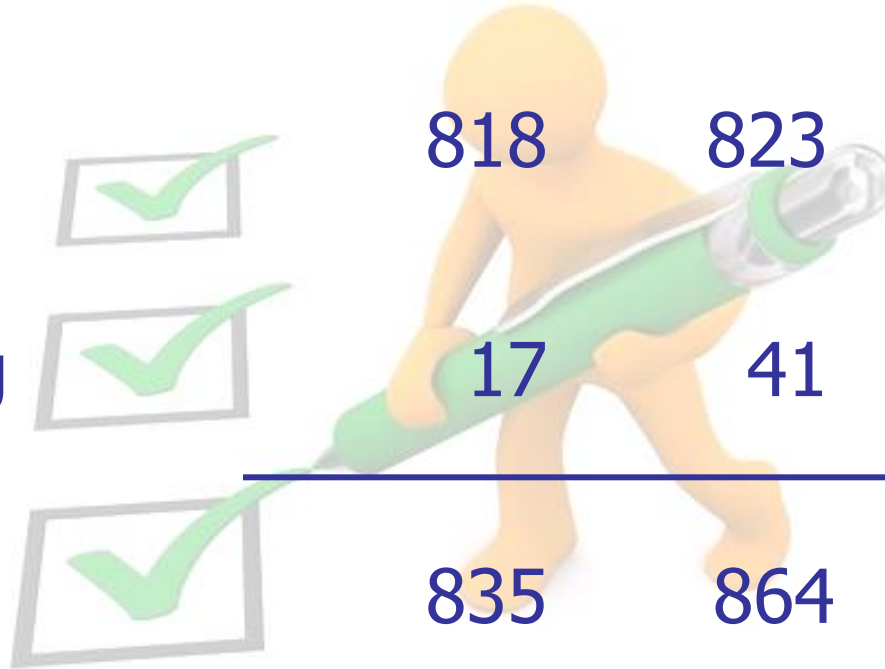
\$ '000

AOB and Overhead SBs



2020 AOB Request

	2019 \$' 000	2020 \$' 000	Increase \$' 000
Recurring	818	823	5
Non recurring	17	41	24
Total	835	864	29



Rationale for Increases

■ Extra staff member

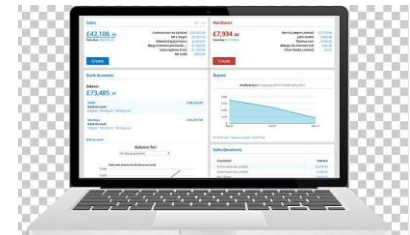
- Additional staff member due to increase in workload on seminars and workshops (LIONSHIELD, EC, INSEP, etc.)
- And upgrade of accounting software has required a redistribution of workload to free up resources need for the transformation

■ Appreciation of the Hryvnia against the US dollar

- The UAH has appreciated in value during 2019 by 12% against all major currencies
- Hryvnia denominated costs (particularly medical insurance) will increase as a consequence

■ Capital equipment

- Upgrade of Naivision Dynamics requires new computer hardware and software



AOB Sharing Formula

- In December 2000 the Funding Parties agreed to the following:
 - Parties would equally share 20% of the Recurring Administrative Operating Budget;
 - Currently this is 10% each for the EU and US;
 - The remaining 80% will be allocated according to the projected next year's expenditure for the Party's projects.
- From 2017 include SB expenditures of a program nature in with project expenditure

Sharing Ratios

	US \$	EU \$	Total \$
Estimated Project & SB expenditure	446,475	5,241,962	4,967,460
% share of Project & SB expenditure	7.85	92.15	100
Distribution of variable portion	6.28	73.72	80
Distribution of fixed portion	10	10	20
Calculated sharing ratio	16.28	83.72	100
2019	19.07	80.93	100

How much do you pay?



US

EU

Total

\$ 140,659

\$ 723,341

\$ 864,000

(in Euros)

€ 655,141

%

%

%

Sharing ratio

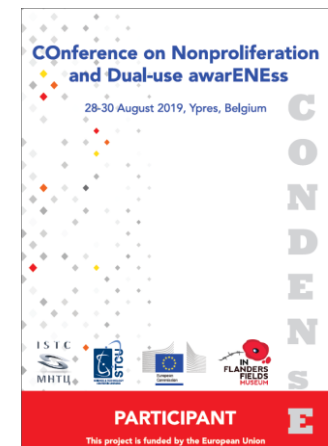
16.28

83.72

100

Supplementary Budget 2020

- Main Supplementary Budget activities:
 - Export Control – Year 3 € 450,000
 - Lion Shield 2 – Balkans € 150,000
- Other EU SBs maintained at 2019 levels
- No US party SB activities planned, except for ED Service Contract
- Overhead SBs unchanged





STCU 2020 Budget Request

Annexes: SB Request for 2020
Partner SBs
Annual Operating Budget in full

SB Request for 2019

Funding Parties		US		EU		US	EU
		2019 Approved	2019 Forecast Spent	2019 Approved	2019 Forecast Spent	2020 Requested	2020 Requested
BUDGET ITEM		\$	\$	€	€	\$	€
1.02	Technic., Collabor., Cont. Travel Supp. - EU			9,000	0		9,000
5.03	Patent Support - EU			17,000	13,952		17,000
6.03	Travel and Mobility Support - EU			51,000	39,357		6,000
9.02	Seminars/Workshops - EU			500,000	393,603		603,000
10.01	Service Contracts - US	225,000	219,000			225,000	
16.01	Partner Promotion Support - EU			118,000	108,408		18,000
TOTAL CONTRIBUTION		225,000	219,000	695,000	555,320	225,000	653,000

For the EU these costs are associated with Undesignated Capital Contributions

10.02	Service Contracts - EU			134,000	130,000		155,000
TOTAL CONTRIBUTION				134,000	130,000	0	155,000

For the EU these costs are associated with the Contribution Agreement Annex III - Administrative

TOTAL CONTRIBUTION		225,000	219,000	829,000	685,320	225,000	808,000
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Partner SBs

Expenditures made for government and non-government partners on Supplementary activities in 2019 to be approved retrospectively for 2019

BUDGET ITEM		US Partners		EU Partners	
		2019 Approved	2019 Forecast Spent	2019 Approved	2019 Forecast Spent
Partners		\$	\$	€	€
6.04	Travel and Mobility Support - PA	260,792	260,792	0	0
9.04	Seminars/Workshops - PA	0	0	0	0
TOTAL CONTRIBUTION		260,792	260,792	0	0

Note: For the purposes of this spreadsheet a € 1 : \$ 1.1041 Euro to Dollar ratio has been used

Note: For the purposes of this spreadsheet SBs of a programme nature are not forecast for the full year and are only amounts spent to date



Science and Technology Center in Ukraine
Budget for 2020
AOB

Annual Operating Budget in full

Administrative Operating Expenses	Budget \$	2019		Percentage Utilised %	2020
		Actual \$	Forecast full year \$		Budget \$
Non-Recurring Expenses					
Facility Improvements	2,000	208	1,908	95%	2,000
Office Equipment	2,000	406	1,906	95%	2,000
Computer Hardware	2,000	1,474	1,974	99%	13,000
Computer Software	11,500	10,292	11,492	100%	24,500
Subtotal Non-Recurring Expenses	17,500	16,699	17,279	99%	41,500
Recurring Expenses					
Personnel	495,000	307,790	461,685	93%	532,000
Local Grant Payments	395,000	259,872	389,808	99%	425,000
Staff Education & Training	37,000	4,636	6,954	19%	37,000
Employee Morale & Welfare	22,000	10,921	16,381	74%	22,000
Medical Plan	41,000	32,361	48,541	118%	48,000
Travel	89,000	47,509	69,365	78%	85,000
Office Operations	123,500	37,741	65,111	53%	98,500
Representation	3,000	1,616	2,925	97%	3,000
Postage & Delivery	4,000	755	1,133	28%	3,000
Customs Facilitations	500	0	0	0%	500
General Office Supplies	7,000	2,011	3,017	43%	5,000
Office Equipment Repair & Maintenance	3,000	0	0	0%	3,000
Printing & Reproduction	3,000	20	2,030	68%	3,000
Telecommunications Services	11,000	3,125	4,688	43%	9,000
Business Meetings	6,000	0	6,000	100%	6,000
Subscriptions & Publications	2,000	674	1,011	51%	2,000
Building Supplies	5,000	1,716	2,574	51%	5,000
Insurance	4,000	1,756	2,635	66%	4,000
Bank Fees - Offshore	55,000	17,341	26,011	47%	40,000
Bank Fees - Onshore	20,000	8,725	13,088	65%	15,000
Branch Offices	31,000	4,629	24,944	80%	31,000
Contracted Services	68,000	3,906	60,859	89%	65,000
Legal Services	5,000	307	461	9%	2,000
Accounting & Auditing	43,000	0	43,000	100%	43,000
Other Professional Services	20,000	3,599	17,398	87%	20,000
Subtotal Recurring Costs	806,500	401,575	681,964	85%	811,500
Contingency - Recurring	11,000	0	0	0%	11,000
Total Administrative Expenses	835,000	418,274	699,243	84%	864,000

Breakdown of training, travel and branch office costs

Administrative Operating Expenses	Budget \$	2019		Percentage Utilised %	2020
		Actual \$	Forecast full year \$		Budget \$
Staff Education & Training	37,000	4,636	6,954	19%	37,000
Staff Education & Training - ED	8,000	0	0	0%	8,000
Staff Education & Training - CFO	20,000	2,700	4,050	20%	20,000
Staff Education & Training - DED UA	9,000	1,936	2,904	32%	9,000
Travel	89,000	47,509	69,365	78%	85,000
International Travel	29,000	11,640	17,460	60%	25,000
Travel withing the CIS	50,000	31,334	45,102	90%	50,000
Travel withing the CIS - Monitoring	26,000	23,462	35,193	135%	35,000
Travel withing the CIS - ED	24,000	6,606	9,909	41%	15,000
Local Travel	10,000	4,535	6,803	68%	10,000
Branch Offices	31,000	4,629	24,944	80%	31,000
Branch Offices - Kharkiv	2,000	882	1,323	66%	2,000
Branch Offices - Baku	6,000	2,118	3,177	53%	6,000
Branch Offices - Chisinau	5,000	1,629	2,443	49%	5,000
Branch Offices - Tbilisi	18,000	0	18,000	100%	18,000



Extension of STCU at Current Premises until Dec. 31, 2030

On July 10, 2019, the Cabinet of Ministers of Ukraine passed Resolution No. 609 which extended the STCU's permission to stay at its current premises on Metalistiv Street until December 31, 2030 (see attached resolution in Ukrainian, with English translation). The approval by the Governing Board of this proposed premises extension is included in the 49th STCU Record of Decisions; however, there are two important changes to this decision compared with previous decisions of the Governing Board:

1). The STCU's premises on Metalistiv Street were originally and until now considered "temporary", an excerpt of the very long decision included in the 27th GB Record of Decisions (dated November 20, 2008) in relation to this matter is shown below:

The Governing Board reconfirms its decision taken at its 26th meeting (19 June 2008) that the Board does not find the **temporary** facility located at 7 Metalistiv Street (Korpus 31), Kyiv Polytechnic Institute suitable for an intergovernmental organization of the STCU's diplomatic status. Thus, the Board is disappointed that the Ukrainian Party did not succeed either to extend the lease on the 21 Kamenyariv Street facility beyond its 31 December 2008 expiration (which was the Governing Board's preference), or propose temporary office space that was at an equivalent level of suitability as the 21 Kamenyariv Street facility.

The entire text of the 27th Record of Decisions can be found here:

http://www.stcu.int/documents/stcu_inf/gbm/gbm27/Records_of_Decision.pdf

2). Because the STCU's premises are considered "temporary", the STCU was requested by the Governing Board to obtain annual one year extensions at the fall Governing Board (for the next calendar year). See below the approved request from last year's 47th GB meeting:

Approved fourth year (until December 31, 2019) of the five-year extension (until December 31, 2020) proposed by the Government of Ukraine for the STCU's temporary premises at 7a Metalistiv Street. The Governing Board thanked the Government of Ukraine for its proactive efforts to secure the long-term location of the STCU, but expressed its desire to revisit the STCU's move to a permanent facility at Kyiv Polytechnic Institute at a time when financial conditions facing the Government of Ukraine are more favorable.

The Secretariat of the STCU is putting forward the following draft decision in the 49th Record of Decisions which removes the phrase "temporary" and allows the STCU to stay long-term (until 2030):

Approved eleven-year extension (until December 31, 2030) proposed by the Government of Ukraine for the STCU's current premises on Metalistiv Street. The Governing Board thanked the Government of Ukraine for its proactive efforts to secure the long-term location of the STCU.

i

Уряд затвердив Порядок надання згоди держави на подання науково-технічного проекту на ухвалення Адміністративній раді Українського науково-технологічного центру з метою забезпечення виконання Україною зобов'язань у сфері міжнародного науково-технічного співробітництва.

Урядовим рішенням визначено розмістити Центр на період до 2030 року у приміщеннях загальною площею 746 кв. метрів на першому та четвертому поверхах будинку по вул. Металістів, 5а, та у підвальних приміщеннях загальною площею 86 кв. метрів будинку по вул. Металістів, 5, у м. Києві (балансоутримувач будівель – Національний технічний університет України "Київський політехнічний інститут імені Ігоря Сікорського").



**КАБІНЕТ МІНІСТРІВ
УКРАЇНИ**

ПОСТАНОВА

від 10 липня 2019 р. № 609

Київ

Про забезпечення виконання міжнародних зобов'язань України, що випливають з її членства в Українському науково-технологічному центрі

Кабінет Міністрів України постановляє:

1. Затвердити Порядок надання згоди держави на подання науково-технічного проекту на ухвалення Адміністративній раді Українського науково-технологічного центру, що додається.
2. Розмістити Український науково-технологічний центр на період до 2030 року у приміщеннях загальною площею 746 кв. метрів на першому та четвертому поверхах будинку по вул. Металістів, 5а, та у підвальних приміщеннях загальною площею 86 кв. метрів будинку по вул. Металістів, 5, у м. Києві.
3. Фондові державного майна забезпечити укладення з Міністерством освіти і науки договору оренди приміщень, зазначених у пункті 2 цієї постанови, на умовах відшкодування балансоутримувачу будівель – Національному технічному університету України "Київський політехнічний інститут імені Ігоря Сікорського" фактичних витрат, пов'язаних з їх утриманням.
4. Визнати такими, що втратили чинність, акти Кабінету Міністрів України згідно з переліком, що додається.

Прем'єр-міністр України

В. ГРОЙСМАН

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Порядок та перелік, що додаються:



THE CABINET OF MINISTERS OF UKRAINE

RESOLUTION

dated July 10, 2019 No. 609

Kyiv

On Ensuring That Ukraine's International Obligations Arising out of Its Membership in the Science and Technology Center in Ukraine Are Performed

The Cabinet of Ministers of Ukraine hereby **resolves**:

1. To approve the Procedure for the State's Giving its Consent to the Submission of a Scientific and Technical Project as Attached to the Administrative Council of the Science and Technology Center in Ukraine for Approval.
2. To accommodate the Science and Technology Center in Ukraine in rooms with total area of 746 sq. meters on the first and fourth floors of the building located at 5a Metalistiv St., and in the basement rooms with the total area of 86 sq. meters in the building located at 5 Metalistiv St., in Kyiv, for the period until 2030.
3. That the State Property Fund shall ensure that a lease agreement is executed with the Ministry of Education and Science with respect to the rooms as referred to in Section 2 hereof providing that the owner and operator of the buildings – The National Technical University of Ukraine "Igor Sikorsky Kyiv Polytechnic Institute" – shall be reimbursed for its actual costs related to the maintenance of the said rooms.
4. To invalidate the acts of the Cabinet of Ministers of Ukraine as set forth in the list attached.

Prime Minister of Ukraine

V. HROYSMAN

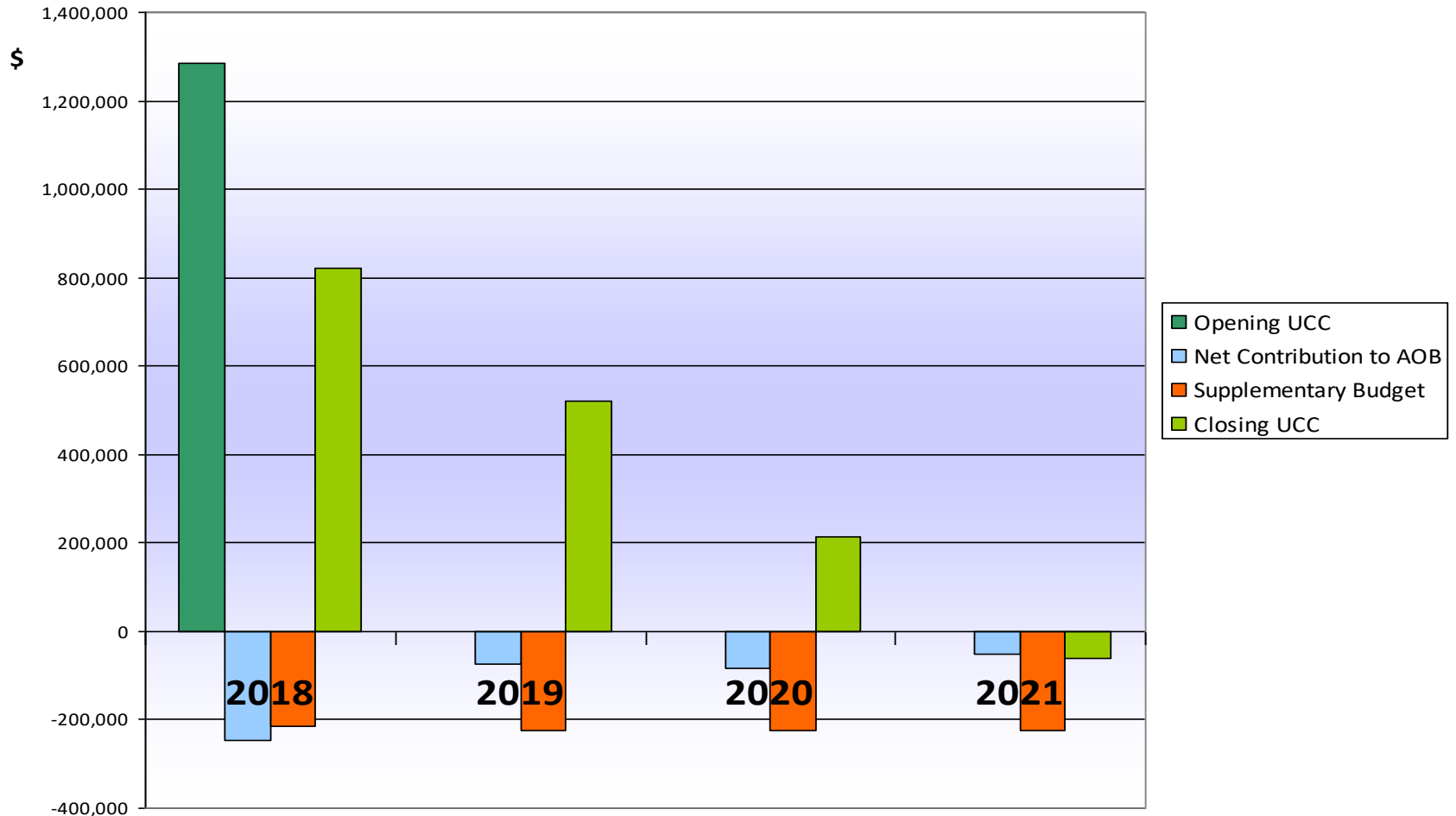
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Beyond 2020



Drawdown of US UCC

Drawdown of US bridging funds



Future Considerations

- What about the part year in 2021?
 - US funds only cover first nine months
- US funds could be extended if EU agrees to pay for ED contract, or if ED and/or CFO positions filled with locals
- After funds expire does the US stay as a funding party?
 - Agreement and Statute suggest they could be a party and, by agreement of the parties, not contribute
- What about US Partners?
 - What fees should they pay? Historic rates as an original funding country, 10% or 15%