

**STCU Governing Board 51  
17 November 2020  
List of Participants**

**ACTING CHAIR: Ms. Eva-Maria ENGDAHL, European Commission**

**European Union**

**Sorin POPA**

Programme Manager  
European Commission

**Georgia**

**Rusudan JOBAVA**

Head of the International Relations and  
Fundraising Office  
Shota Rustaveli National Science Foundation

**Ukraine**

**Mykola KYZYM**

First Deputy Minister  
Ministry of Education and Science of Ukraine

**Yuliia BEZVERSHENKO**

Director General  
Directorate on Science and Innovation  
Ministry of Education and Science of Ukraine

**Dmytro CHEBERKUS**

Ministry of Education and Science of Ukraine

**Sofiia ZHEREBCHUK**

State Expert  
Directorate of Science and Innovation  
Ministry of Education and Science of Ukraine



## **United States of America**

<b>Sarah BANERJEE</b>	Acting Board Member Office of Cooperative Threat Reduction U.S. Department of State
<b>Mark SCHELAND</b>	Acting Team Chief Counterproliferation, Chemical Security, & Nuclear Security Programs Office of Cooperative Threat Reduction U.S. Department of State
<b>Laura DENLINGER</b>	Deputy Team Chief Counterproliferation Programs Office of Cooperative Threat Reduction U.S. Department of State
<b>Regina CARTER</b>	National Nuclear Security Administration U.S. Department of Energy
<b>Don HATCH</b>	National Nuclear Security Administration U.S. Department of Energy

## **ISTC**

<b>David CLEAVE</b>	Executive Director International Science and Technology Center
<b>Sonya VEKSTEIN</b>	Chief Financial Officer International Science and Technology Center

## **Secretariat STCU**

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

**AGENDA**  
**51st Meeting of the STCU Governing Board**  
**November 17, 2020**  
 Via WebEx

**1. Opening of the Meeting**

- 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

**3. Agenda**

- 3.1. Review and Approval of minutes of 50th GB WebEx meeting conducted on August 11th, 2020 (GB Members)
- 3.2. 2021 AOB and SB Budget Request (Anthony Nichol)
- 3.3. Presentation of STCU Financial Forecasts (Curtis "B.J." Bjelajac)
- 3.4. Review of 51st Draft Record of Decisions & Funding Sheets (Curtis "B.J." Bjelajac)
- 3.5. Executive Director Report (Curtis "B.J." Bjelajac)
- 3.6. Presentation of 2019 Annual Report (Curtis "B.J." Bjelajac)
- 3.7. Presentation of 2019 Audited Financial Statements & Management Letter (Anthony Nichol)
- 3.8. Update on 2020 AOB/SB Expenditures (Anthony Nichol)
- 3.9. Discuss/Approve 52nd & 53rd GB schedules (Curtis "B.J." Bjelajac)

**4. Closing of the Meeting**

- 4.1 Any Other Business (AOB) (All)
- 4.2 Final Issues/Statements from GB Members (GB Members)
- 4.3 Closing Remarks/Adjournment (Chairman, Executive Director)



## Summary of the STCU 50th GOVERNING BOARD MEETING via WebEx August 11th, 2020

**CHAIR:** Ms. Eva-Maria ENGD AHL, Senior Expert, Team Leader CBRN, DG 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, DG International Cooperation and Development (DG DEVCO), Directorate B – People and Peace, Unit B/5 Security, Nuclear Safety, European Commission

### **Ukraine:**

Ms. Yuliia BEZVERSHENKO, Director General, Directorate on Science and Innovation, Ministry of Education and Science of Ukraine

Ms. Sofiia ZHEREBCHUK, State expert, Directorate of Science and Innovation, 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

Mr. Mark SCHELAND, Acting Team Chief, Counterproliferation, Chemical Security, & Nuclear Security Programs, Office of Cooperative Threat Reduction, U.S. Department of State

Ms. Laura DENLINGER, Deputy Team Chief, Counterproliferation Programs, 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 ISTC**

Mr. Ronald LEHMAN, Chairman of the Governing Board, International Science and Technology Center

Mr. David CLEAVE, Executive Director, International Science and Technology Center

Ms. Sonya VEKSTEIN, Chief Financial Officer, International Science and Technology Center

### **Secretariat STCU**

Curtis “B.J.” BJELAJAC

Mykola LUBIV

Anthony NICHOL

## **1. Opening Remarks**

Ms. Engdahl opened the meeting by informing all participants that she has replaced Eddie Maier as the Head of the CBRN team; however, she is not acting as Chairperson for this meeting. Ms. Engdahl continued by stating that the EU’s intention is to name the new Chairperson by the 51<sup>st</sup> Governing Board Meeting in the Fall of 2020. Ms. Engdahl highlighted the fact that the EU considers the STCU as a strategic partner and that the EU remains very committed to support the Center. Ms. Engdahl mentioned that the commitment to the STCU includes the fact that the EU has secured funds for STCU’s activities at least until the end of 2021. Ms. Engdahl pointed out however that the EU is arriving to the end of its funding period within the funding instrument called the IcSP (Instrument contributing to Stability and Peace), but the EU expects that security will remain an important priority of the EU for the next seven (7) year multi-financial framework program and the new instrument to be called “Neighborhood, Development and

International Cooperation Instrument” (NDICI). Thus, it is the EU’s assumption that its engagement with the STCU will continue and potentially increase beyond 2021. Ms. Engdahl continued by highlighting that the EU recently extended the Export Control and Nuclear Forensics programs, co-funded with the U.S. Department of Energy, which are both implemented by the STCU. Furthermore, Ms. Engdahl highlighted that the STCU has implemented a number of projects which are a part of the EU CBRN Centers of Excellence program, such as P52 and P58, as well as a project to support the border guards in Ukraine and Moldova. Ms. Engdahl continued by emphasizing STCU’s contribution to regional projects such as the 2018 LIONSHIELD exercise, which the EU sees as critical for the success of the SEEE region. The EU’s hope is that the other STCU partners will consider co-funding the aforementioned activities in the future, much like was done with the co-funding of Research and Development projects within the Academies of Science Targeted Initiative. Ms. Engdahl concluded by thanking the Board Members for their time and mentioning that she looked forward to a productive meeting.

Ms. Bezvershenko welcomed all Board Members, the Executive Director, and colleagues. She went on to inform all that she took over in her position as Director General of the Directorate on Science and Innovation in April of this year. Furthermore, she went on to say that according to the Decree of the President of Ukraine, Dr. Strikha is still the Board Member representative of Ukraine in the Governing Board. However, a decision concerning the changing of the Board Member from Ukraine is currently under discussion. Ms. Bezvershenko expressed her thanks to Dr. Strikha for the many years that he acted as the Board Member from Ukraine. She concluded by introducing Ms. Zherebchuk and by emphasizing the Ministry’s continued optimistic support of the STCU.

Ms. Banerjee shared a very warm welcome to everyone, and thanked the other members of the GB for the excellent preparations done for the meeting. She continued by thanking Ms. Engdahl and EU Party for their continued commitment to the STCU, as well as the unwavering commitment of the Ukrainian Party to the success of the STCU. She concluded by stating that the US Party and its Partners look forward to a productive meeting and continuing to work with the STCU to evolve in creative ways.

## **2. Review and Approval of the 50<sup>th</sup> GB Agenda**

The Governing Board approved the agenda as presented.

## **3. Review and Approval of minutes of 49<sup>th</sup> GB held on November 21<sup>st</sup>, 2019 in Yerevan, Armenia**

The Governing Board approved the minutes including the requested change on the day of the meeting by the EU in relation to the last paragraph. Mr. Bjelajac asked the Board if they were satisfied with the monthly report about potential partner projects and proposals provided by the Secretariat as a result of a request made at the 49<sup>th</sup> Governing Board. The US Party requested that the Secretariat add planned and potential partner trainings and workshops to the monthly report. The ED agreed and this change will be reflected in the next upcoming report scheduled to be issued on September 1, 2020.

## **4. Review of 50<sup>th</sup> Draft Record of Decisions and Funding Sheet**

Mr. Bjelajac called the Board’s attention to the draft 50<sup>th</sup> Record of Decisions and Funding Sheet for approval by the GB at the end of the WebEx meeting. Mr. Bjelajac mentioned that at the request of the EU, the signatory authority on both documents for the EU was changed from Mr. Eddie Maier to Mr. Olivier Luyckx.

## **5. Executive Director Report**

Mr. Bjelajac submitted his report that covered the period of October 26, 2019 to June 19, 2020. Mr. Bjelajac highlighted the following issues in the report:

- A. **COVID-19:** The ED opened by stating that the STCU followed closely the instructions of both the Government of Ukraine and the Kyiv City Administration in relation to the COVID-19 pandemic. Since March 20<sup>th</sup>, the STCU has worked in a mode of "preference to work from home, but if absolutely necessary, you can go into the office" until the date of this report. Most restrictions for businesses in Kyiv were lifted in

the first couple of weeks of June. Despite the easing of restrictions, the STCU continues with a "work from home first" policy because the Secretariat wants to see more data given the lifting of restrictions. Unfortunately, the data has not been favorable, with the number of cases increasing (from about 400 new cases/day at the beginning of June to about 700/day cases the day of publishing this report) despite the number of tests being held constant ~10,000/day. The COVID-19 pandemic has had different levels of impact on the STCU operations ranging from "very little" to "a complete stop". Ongoing projects have had very little disruption with no projects cancelled, and only a handful of projects suspended because of the pandemic. Furthermore, projects under preparation in March have continued to move forward, with a number of new projects signed (shown in the 50th Funding Sheet) during the March to June timeframe. However, the virus has had an impact on new projects and amendments, especially for non-government partner projects, given the higher level of uncertainty facing the world economy. The STCU will monitor this situation going forward. Finally, conferences and workshops have been severely impacted, with a small number moved to an online format (i.e. Zoom, etc.) whilst the rest rescheduled to a later time.

- B. **Disinformation Campaign:** The ED kept his comments brief on this subject, as the Board was kept up to date on this issue in real time by e-mail. As a reminder, the ED stated that in late April, a Ukrainian Parliamentarian (Victor Medvechuk), accused the U.S. Government (the complaints were specific to the USG, not the other Parties of the STCU present or past) and international organizations (specifically the STCU) of nefarious activities involving biological laboratories in Ukraine. Mr. Medvechuk, as a Member of Parliament, formally requested information about the biological activities of USG/DTRA and international organizations/STCU in Ukraine from the President of Ukraine, the Prime Minister, the Head of the Security Service of Ukraine, and the Minister of Health. By the end of May, the push back efforts yielded results as the strong offensive that was put in place by Mr. Medvechuk at the end of April died down. However, given past experiences, it is impossible to declare victory over this disinformation issue, as it comes in waves and has been ongoing for a number of years. The STCU will continue to monitor the situation and respond accordingly. The ED thanked all of the Parties for their assistance, especially the US and Ukraine, as their assistance was critical to the push back effort. Mr. Bjelajac concluded by stating that he is aware that the STCU's sister center, the ISTC, has recently also been dealing with a large misinformation campaign. Thus, this is an issue that will need to be monitored continuously going forward.
- C. **United Kingdom:** The ED updated the Governing Board on the results of consultations with the United Kingdom. Given the formal exit of the United Kingdom from the European Union on January 31, 2020, the ED consulted with its UK colleagues (representatives of the UK Department of Business, Energy, and Industrial Strategy) to determine if there was an interest in the UK to accede to the STCU Agreement. Unfortunately, for the time being at least (possibly until the final details of the new relationship with the EU are finalized), the UK preferred to move forward with the STCU on a case by case (paying the 15% partner fee) manner and not accede to the STCU Agreement.
- D. **LIONSHIELD2:** The ED updated the Governing Board on a very recent change to the LIONSHIELD2 field exercise which is not reflected in the ED Report. Originally, the EU requested the STCU to conduct a table top (TT) and field exercises (FE) related to Chemical Security in Serbia in 2020/2021. However, the Serbian Party has requested a short delay, thus the EU requested that the STCU first work with Ukraine to conduct a Biological Security exercise there in the nearest future (pending resolution of the COVID situation). After the completion of the Biological Security exercise in Ukraine, the STCU would then revisit conducting a chemical exercise in Serbia shortly after.
- E. **Partner Program/Trends in Projects:** The ED informed the Governing Board that the 50th GB is scheduled to approve five (5) new partner projects, as well as eighteen (18) new partner project extensions for a total 50th GB funding amount of roughly \$4.1M. The ED continued by stating that given the uncertainty brought on by the COVID-19 pandemic, a first half of the year funding amount of ~\$4.1M is not too bad considering the circumstances. The ED continued by highlighting the number of active projects, which has dropped considerably over the last few years (from an average of 179 active projects in 2013 to 90 active projects in June 2020). The ED concluded by stating that total funding for 2020 will be difficult to forecast given the ongoing complications related to the COVID-19 pandemic, but with \$4.1M in already signed

projects for the first half of 2020, the STCU expects that 2020 funding should be at least in the range of \$6M-\$8M for the year.

Ms. Bezvershenko thanked the ED and STCU Secretariat for their fruitful activities illustrated in this report for the past half year. Concerning Mr. Medvedchuk's accusations of 'unlawful cooperation' between Ukraine and U.S. including activities of the STCU, Ms. Bezvershenko thanked the STCU and its partners for their help in reacting to this situation and the Government of Ukraine now hopes that the situation will normalize.

Ms. Bezvershenko went on to request the STCU to keep the Ministry of Science and Education informed about the situation in Kamianske (related to the PChP project) as it is clear that the situation is in a "50/50" balance with a large amount of uncertainty about the success of this project in the future. The Ministry is prepared to help this project where needed.

Ms. Bezvershenko continued by expressing her gratitude to the STCU Secretariat for their discussions with the United Kingdom to involve the UK in deeper cooperation with the STCU. In addition, she concluded by asking if there are any ideas as to the possibility of involvement of other countries in collaboration within the STCU format.

Mr. Bjelajac thanked Ms. Bezvershenko for her comments and responded to them as follows:

- ✓ In relation to the disinformation issue, Mr. Bjelajac thanked Dr. Strikha, Ms. Zherebchuk, and their colleagues at the Ministry of Science and Education for their support in relation to this issue. He went on to thank the U.S. Party, but concluded by stating that despite the fact that things have quieted down, he believes that it is possible that this issue will arise again in the future.
- ✓ In relation to the project in Kamianske (PChP project), the issue of financing and licensing SE Barrier, the current site operator, still exists. However, STCU and the EU are working closely with the Government of Ukraine (SNRIU and Ministry of Energy) to push through these issues, with two construction projects (small renovation of a laboratory, as well as the larger project to secure the site) starting recently despite the issues facing SE Barrier. Mr. Bjelajac concluded by stating that the STCU will definitely keep the Ministry informed going forward, given the precariousness of the situation, as it is possible that help from the Ministry will be needed in the future.
- ✓ In relation to the question about new members, Mr. Bjelajac informed Ms. Bezvershenko that the STCU continues to look for potential partner countries, including talking to those countries that are members of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction (which currently includes thirty active member countries and the European Union) such as Norway and Canada (a founding member of the STCU which subsequently withdrew from the STCU agreement). Unfortunately, to date, like with the United Kingdom, there is very little appetite to join the STCU as a member country. However, there is appetite on behalf of these countries to work as Partners (paying 15% overhead on their projects). Thus, the STCU will continue to look for new member countries; however, the success to date has been limited to countries expressing a preference to work as Partners, but not acceding to the Agreement.

## **6. Presentation of 2019 Annual Report w DOE Changes**

Mr. Bjelajac called the Board's attention to the requested changes by the U.S. Department of Energy. Most of the changes related to the Executive Director's statement, with a handful of other changes to other sections of the report. Mr. Bjelajac then asked the US, EU, and Ukrainian parties if they had any other changes to the report. All parties responded that they do not have any additional changes. Mr. Bjelajac then pointed out that the only issue remaining is the Statement from the Chairman of the STCU Governing Board, which is currently missing. Mr. Popa requested some time to discuss this issue as it is possible that the Statement will come from Mr. Maier as he was Chairman during the period of the Annual Report (2019). Mr. Popa will revert back to the Executive Director with more information about this issue. Given that the Statement from the Chairman is missing, Mr. Bjelajac suggested that the approval of the Annual Report be pushed back to the next STCU Governing Board (51<sup>st</sup>) scheduled to be conducted in November. All agreed. Thus, the decision to approve the 2019 Annual Report was removed from the draft 50<sup>th</sup> Record of Decisions and will be placed on the draft 51<sup>st</sup> Record of Decisions for consideration in November 2020.



## **7. Approve one-year extension of CFO/CAO**

The one-year extension of Mr. Anthony Nichol as CFO/CAO was approved by the Board.

## **8. Approve 51st GB schedule**

The Governing Board agreed to look at conducting the 51st STCU Governing Board meeting (more than likely again by WebEx) the week of November 16th, 2020, with a finalization of the date in the coming weeks.

## **9. Any Other Business (AOB)**

Ms. Bezvershenko stated that the Ministry of Education and Science of Ukraine (MSE), recognizing the importance of cooperation within the EU initiative CBRN Centers of Excellence (CBRN CoE), will be grateful if the EU would allow MSE the opportunity to join in the planning for this important initiative. Mr. Popa welcomed the offer of assistance from the MSE of Ukraine and requested that MSE work with the National Focal Point (NFP) of Ukraine (Mr. Vadym Ivko) to coordinate efforts to plan and work with the EU CBRN CoE initiative. Mr. Popa mentioned that he is always available to discuss possible cooperation; however, it is always best to keep the EU's Ukrainian counterpart (NFP) in the loop as well. Mr. Bjelajac mentioned that he would in the near future request Mr. Lubiv, STCU Senior Deputy Executive Director, to set up a meeting between MSE and Mr Ivko in the near future to discuss ways to move this request forward.

Mr. Bjelajac informed the Governing Board that a potential new partner (U.S. Army ACC-APG, the research branch of the U.S. Army in Europe) contacted the STCU about implementing a ~\$180K research project with the B. Verkin Institute for Low Temperature Physics and Engineering in Kharkiv. Due to timing with the release of funds, the potential partner is requesting that the STCU sign the partner project agreement as soon as possible. Thus, Mr. Bjelajac informed the Governing Board that immediately after the WebEx Governing Board meeting, he would send the partner request letter, information about the project, etc., and a request for the Governing Board's positive concurrence to both the request for partnership and authorization to move ahead with the partner project agreement. Mr. Bjelajac concluded by stating that the project already received Host Government Concurrence from Ukraine, and thus the STCU is requesting the US and EU Parties to provide their positive concurrence at their earliest convenience so as to facilitate the signing of this agreement.

Mr. Bjelajac stated that it was his understanding that the EU Party was currently going through some organizational changes that might see the STCU moving from DG DEVCO (the current DG responsible for the STCU) to DG Foreign Policy Instruments (FPI). He went on to ask his EU colleagues if they were able to provide any more information on this potential move.

Ms. Engdahl responded by informing all that the organizational changes mentioned are still under consideration, thus making any comment on them at this point would be premature.

## **10. Closing Remarks**

Ms. Banerjee thanked the STCU Secretariat for the productive meeting, as well as expressed her pleasure at seeing her counterparts on the call. She concluded by expressing her satisfaction with the new format of the meeting, especially given the complications involving travel due to the COVID-19 pandemic.

Ms. Engdahl thanked the STCU Secretariat for its board preparations and stated that it was a very informative meeting, especially for her, given that she is a newcomer to the STCU.

Ms. Bezvershenko thanked the STCU for the professional conduct of the GB meeting. She concluded by stating that the cooperation shown between partner countries is extremely important to the Government of Ukraine.





Mr. Bjelajac thanked the meeting members for their professionalism and constructive approach to the issues facing the STCU. He went on to point out that the STCU's summer Board Meeting is very administrative, with the Fall meetings, especially the upcoming 51<sup>st</sup> Governing Board meeting, being much more eventful. Mr. Bjelajac concluded by stating that given the difficult issues that need to be discussed at the 51<sup>st</sup> Governing Board meeting (i.e. financing of 2021 budgets, etc.), he hopes that the spirit of cooperation exhibited today at this meeting will continue during the more tricky discussions scheduled for the next meeting in November.

There being no further business to discuss the WebEx meeting was completed.

# Financial Papers

## Governing Board Meeting

### 17 November 2020

#### Contents

- 1 Detailed Administrative Operating Budget (AOB) request 2021
- 2 AOB sharing formula 2021
- 3 Supplementary Budget request 2021
- 4 Drawdown of party funds for 2021 budget (Financial Forecast)
- 5 Financial Statements 2019
- 6 Management Letter 2019
- 7 Actual to Budget 2020

Appendix Forecast government project and SB expenditure 2021

# 1 Detailed Administrative Operating Budget (AOB) request 2021

STCU	AOB Budget		Year ending 31 December 2021		
	<b>2020</b>				
	Budget	Forecast	Percentage		Budget
	full year	full year	Utilised		2021
	\$	\$	%		\$
<b>Non-Recurring Expenses</b>					
Facility Improvements	2,000	0	0.0		2,000
Office Equipment	2,000	0	0.0		2,000
Computer Hardware	13,000	12,971	99.8		5,000
Computer Software	24,500	24,433	99.7		13,000
<b>Subtotal Non-Recurring Expenses</b>	<b>41,500</b>	<b>37,404</b>	<b>90.1</b>		<b>22,000</b>
<b>Recurring Expenses</b>					
<b>Personnel</b>	<b>532,000</b>	<b>487,238</b>	<b>91.6</b>		<b>486,000</b>
Local Grant Payments	425,000	422,697	99.5		385,000
<b>Staff Education &amp; Training</b>	<b>37,000</b>	<b>905</b>	<b>2.4</b>		<b>33,000</b>
Employee Morale & Welfare	22,000	18,080	82.2		22,000
Medical Plan	48,000	45,556	94.9		46,000
<b>Travel</b>	<b>85,000</b>	<b>15,131</b>	<b>17.8</b>		<b>70,000</b>
International Travel	25,000	953	3.8		20,000
<b>Travel withing the CIS</b>	<b>50,000</b>	<b>4,592</b>	<b>9.2</b>		<b>40,000</b>
Travel withing the CIS - Monitoring	35,000	3,098	8.9		28,000
Travel withing the CIS - ED	15,000	1,493	10.0		12,000
Local Travel	10,000	9,586	95.9		10,000
<b>Office Operations</b>	<b>98,500</b>	<b>56,718</b>	<b>57.6</b>		<b>91,000</b>
Representation	3,000	684	22.8		3,000
Postage & Delivery	3,000	823	27.4		2,500
Customs Facilitations	500	0	0.0		500
General Office Supplies	5,000	4,933	98.7		5,000
Office Equipment Repair & Maintenance	3,000	1,885	62.8		2,000
Printing & Reproduction	3,000	1,000	33.3		2,000
Telecommunications Services	9,000	9,255	102.8		9,000
Business Meetings	6,000	6,300	105.0		6,000
Subscriptions & Publications	2,000	894	44.7		2,000
Building Supplies	5,000	4,740	94.8		5,000
Insurance	4,000	2,774	69.3		4,000
Bank Fees - Offshore	40,000	15,399	38.5		38,000
Bank Fees - Onshore	15,000	8,032	53.5		12,000
<b>Branch Offices</b>	<b>31,000</b>	<b>28,589</b>	<b>92.2</b>		<b>29,000</b>
<b>Contracted Services</b>	<b>65,000</b>	<b>63,785</b>	<b>98.1</b>		<b>65,000</b>
Legal Services	2,000	785	39.2		2,000
Accounting & Auditing	43,000	43,000	100.0		43,000
Other Professional Services	20,000	20,000	100.0		20,000
<b>Subtotal Recurring Costs</b>	<b>811,500</b>	<b>651,461</b>	<b>80.3</b>		<b>741,000</b>
<b>Contingency - Recurring</b>	<b>11,000</b>	<b>5,740</b>	<b>52.2</b>		<b>10,000</b>
<b>Total Administrative Expenses</b>	<b>864,000</b>	<b>694,605</b>	<b>80.4</b>		<b>773,000</b>

## 2 AOB sharing formula 2021

### 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

### Calculation for 2021

	US \$	EU \$	Total \$
Estimated Project & SB expenditure <i>(see appendix below)</i>	53,137	3,428,740	3,481,877
	%	%	%
% share of Project & SB expenditure	1.53	98.47	100
Distribution of variable portion	1.22	78.78	80
Distribution of fixed portion	10	10	20
<b>Calculated sharing ratio</b>	<b>11.22</b>	<b>88.78</b>	<b>100</b>
	%	%	%
2020	16.28	83.72	100
	\$	\$	\$
<b>AOB 2021</b>	<b>86,731</b>	<b>686,269</b>	<b>773,000</b>
		€	
<b>AOB 2021 €</b>		<b>582,621</b>	

### 3 SB request 2021

Funding Parties		US		EU		US	EU
		2020 Approved	2020 Forecast Spent	2020 Approved	2020 Forecast Spent	2021 Requested	2021 Requested
BUDGET ITEM		\$	\$	€	€	\$	€
1.02	Technic., Collabor., Cont. Travel Supp. - EU			9,000	0		0
5.03	Patent Support - EU			17,000	15,724		17,000
6.03	Travel and Mobility Support - EU			6,000	0		0
9.02	Seminars/Workshops - EU			603,000	96,613		100,000
10.01	Service Contracts - US	225,000	219,000			108,900	
16.01	Partner Promotion Support - EU			18,000	23,060		18,000
<b>TOTAL CONTRIBUTION</b>		<b>225,000</b>	<b>219,000</b>	<b>653,000</b>	<b>135,397</b>	<b>108,900</b>	<b>135,000</b>

For the EU these costs are associated with Undesignated Capital Contributions

10.02	Service Contracts - EU			155,000	151,000		155,000
<b>TOTAL CONTRIBUTION</b>				<b>155,000</b>	<b>151,000</b>	<b>0</b>	<b>155,000</b>

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

<b>TOTAL CONTRIBUTION</b>		<b>225,000</b>	<b>219,000</b>	<b>808,000</b>	<b>286,397</b>	<b>108,900</b>	<b>290,000</b>
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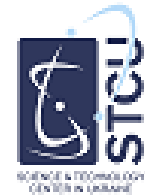
BUDGET ITEM		US Partners		EU Partners		US Partners	EU Partners
		2020 Approved	2020 Forecast Spent	2020 Approved	2020 Forecast Spent	2021 Approved	2021 Approved
Partners		\$	\$	€	€	\$	€
6.04	Travel and Mobility Support - PA	12,580	12,580	0	0	118,613	13,900
9.04	Seminars/Workshops - PA	2,291	2,291	0	0	15,718	0
<b>TOTAL CONTRIBUTION</b>		<b>14,871</b>	<b>14,871</b>	<b>0</b>	<b>0</b>	<b>134,331</b>	<b>13,900</b>

Note: For the purposes of this spreadsheet a € 1 : \$ 1.1779 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

## 4 Drawdown of party funds for 2021 budget (Financial Forecast)

Drawdown of UCC for 2020/2021 based on proposed AOB and SBs for 2021				
	STCU	US UCC	EU UCC	EU UCC
AOB share 2021	100%	11.22%	88.78%	
Exchange rate €:\$				1.1779
	\$	\$	\$	€
UCC at 31/12/19		107,466	1,291,143	1,152,806
Forecasted Surplus 2020	300,000	48,840	251,160	213,227
Forecasted Unused SBs		14,700	15,200	12,904
Forecasted 2021 Contribution Agreement		0	800,972	680,000
Available for 2021		171,006	2,358,475	2,058,938
US SB (service contracts) till June 30, 2021		(108,900)		0
EU SB (service contracts) till Dec. 31, 2021			(182,575)	(155,000)
		62,106	2,175,901	1,903,938
Programme activities:				
Nuclear forensics		0	(800,000)	(679,175)
Add for '21 Export control		0	(117,790)	(100,000)
Patents		0	(20,024)	(17,000)
Partnership Promotion		0	(21,202)	(18,000)
AOB 2021	(773,000)	(86,731)	(686,269)	(582,621)
UCC at 31/12/20		(24,625)	530,615	507,142
Forecasted Surplus 2021	200,000	22,440	177,560	150,743
Forecasted Unused SBs		0	3,000	2,547
Available for 2022		(2,185)	711,175	660,431



## **Executive Director Report**

(Reporting Period: June 20 – October 28, 2020)

### Party Issues

#### COVID-19

The STCU continues to closely follow the instructions of both the Government of Ukraine and the Kyiv City Administration in relation to the COVID-19 pandemic. Unfortunately, the most recent data has not been favorable, with the number of cases increasing (about ~6,700 new cases/day as of the publishing of this report) despite the number of tests being held constant ~30,000/day. For comparison purposes, the number of cases/day in my previous ED report (mid-June 2020) was ~700. Thus, along with most of Europe, Ukraine is seeing an increase in the number of cases as we move into the “cold and flu season”.

Given the difficult situation outlined above, the STCU continues with a "work from home first" policy (as we have done from late March), and barring a change for the better (which looks unlikely until Spring), the STCU will continue to work from home as much as possible for the foreseeable future. A member of the STCU team did test positive for COVID-19 in September, but self-quarantined in a timely manner as to ensure that no other members of the team were infected. That staff member has subsequently tested negative for COVID-19 and is feeling better. As of the publishing of this report, thankfully, the Secretariat is healthy and no members of the STCU nor their family members are exhibiting any symptoms of COVID-19.

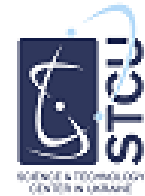
The COVID-19 pandemic continues to have different levels of impact on the STCU operations ranging from "very little" to "a complete stop". Ongoing projects have had very little disruption with no projects cancelled, and only a handful of projects suspended because of the pandemic. However, the virus has had an impact on new projects and amendments, especially for non-government partner projects, given the higher level of uncertainty facing the world economy. As you can see from the 51<sup>st</sup> Governing Board Funding Sheet, the number of new partner projects (~\$700K) is down significantly for the 2<sup>nd</sup> half of 2020. The STCU will continue to monitor this situation going forward. The Board can monitor this going forward as well, by watching the changes in new project proposals shown in the Monthly Snapshot of Partner Activities sent out by the STCU on the first of each month.

Finally, conferences and workshops have been impacted, with a small number moved to an online format (i.e. Zoom, etc.) whilst the rest rescheduled to a later time.

#### Israel

On September 10, 2020, the STCU Executive Director and Senior Deputy Executive Director met with Mr. Yoav Bistrisky, Deputy Head of Mission of the Embassy of Israel in Ukraine, to determine if there were ways for STCU to formalize a relationship with the State of Israel and/or encourage Israeli organizations to work via the STCU. Mr. Bistrisky was enthusiastic that he could assist with identifying Israeli companies to work with the STCU. Unfortunately, he was less enthusiastic about the prospects of Israel acceding to the STCU Agreement. At the conclusion of the meeting, we





agreed to work together on a case by case basis going forward, so as to first establish a relationship, whilst possibly revisiting accession at a later time.

#### USDoS/ISN/WMDT Projects

USDoS/ISN/WMDT has an ongoing project (~\$600K) improve the cybersecurity of the State Nuclear Regulatory Inspectorate of Ukraine (SNRIU). After an international tender, a vendor was selected and a contract was signed in late August 2020. Work continues apace with the project expected to finish on schedule.

Currently, the STCU is in the process of implementing a project with USDoS/ISN/WMDT to track the secure transportation of radioactive sources in Ukraine. The tracking of the secure transportation of these radioactive sources is part of a larger multi-national project, known as VECTOR II. The STCU, in coordination with Oak Ridge National Laboratory (ORNL) as the technical advisor, will procure a tracking system for this project with the goal of meeting both international and local standards. An international tender concluded on October 21<sup>st</sup> and the tenders are now under review by the evaluation committee (which includes members of WMDT, ORNL, and RADON). This project is a follow-on to an earlier project with USDoS/ISN/WMDT where the STCU procured ~\$900K of special containers for the safe transport of radioactive sources from the regions of Ukraine to the Vector facility in Chernobyl.

#### Project to Upgrade physical Security at South Ukraine Nuclear Power Plant (SUNPP)

USDoE/NNSA/GMS is seeing movement to implement \$1.1M worth of physical security upgrades at SUNPP. The STCU is currently working with representatives of USDoE/DNN/GMS and Energoatom to purchase a list of equipment and materials (razor wire, fencing, uninterruptible power supplies, etc.) with the hope that procurement of items will be completed in late 2021/early 2022. Negotiations for this project started back in September 2016, so the start of procurement of items is a long time coming.

#### 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. Almost all of the equipment under task 4 has been supplied as a consequence of this additional task in preparing Barrier for their license.

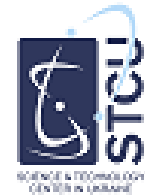
The designs for the construction were approved by SNRIU. The STCU successfully completed procurement proceedings for the large construction project and a small construction project (renovation of the ventilation system at the Analytical Laboratory of SE Barrier on the PChP Site). Construction on both projects is currently underway and proceeding without issue.

As mentioned in prior ED reports the issue about the funding and licensing of Barrier has still to be resolved to the satisfaction of the European Commission. However, the construction work does not require a license and can be done under the existing license (Nuclear Fuels license).

Thus, the project moves forward; however, given the aforementioned issues, the STCU still needs to stay vigilant.

#### *Table Top and Field Exercise in Ukraine in 2021/2022 (LIONSHIELD2)*

The EU has asked the STCU to work with the National Focal Point of Ukraine to conduct a table top (TT) and field exercise (FE) related to Biological Security in Ukraine (Kyiv or Odessa) in 2021/2022. This exercise is a follow-on to the successful LIONSHIELD exercise conducted in Tbilisi, Georgia in June 2018. The STCU is still currently in the very beginning stages of the planning for this event with the identification of the exercise site and scenarios still under consideration. At one time, the STCU was working with Serbia to conduct a chemical field exercise there; however, the SEE region decided to first implement the Ukraine biological exercise and then perform the exercise in Serbia. Thus, the exercise in Serbia would occur in 2022/2023.



## Current Secretariat Activities

### Trends in Projects

The 49<sup>th</sup> Governing Board in August '20 approved a total of five (5) new partner projects totaling roughly \$1.05M (€927,650), as well as eighteen (18) new partner project extensions totaling roughly \$3.05M (\$2,926,668 and €104,062). Couple this with the partner projects and extensions to be approved at the 51<sup>st</sup> GB in November 2020 (~\$700K), and 2020 will see approximately \$4.8M of new partner project funding received. As shown in the table below, 2020 will be a down year for total funding (\$4.8M) in line with the disappointing year of 2015 (\$4.72M). The STCU does expect an increase in funding in 2021 with a number of large projects to be signed on the horizon including: \$1.3M for the continuation of the Nuclear Forensics Project (EU and US/DOE/NNSA), ~\$1M from DOS/ISN/WMDT for upgrade work at the VECTOR facility and tracking of vehicles transporting radioactive sources to VECTOR, etc..

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 179 active projects in 2013 to 80 active projects in October 2020). The STCU expects to see the number of active projects drop to approximately 60-70 where it should stabilize going forward.

	2013	2014	2015	2016	2017	2018	2019	October 2020
Avg # of Active Projects	179	125	120	110	135	135	110	80
Board Approved Project Funding (USD)	\$12.7M	\$14.1M	\$4.72M	\$11.2M	\$15.6M	\$13.5M	\$12.2M	\$4.8M*

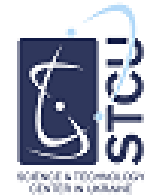
\* \$4.8M is the amount of funding approved for the period of Jan. 2020 – October 2020.

### Important Visitors/Meetings/Events

**Attendance of GP Plenary's First, Second, Third, and Fourth Virtual Meetings (June 30<sup>th</sup>, July 28<sup>th</sup>, September 9<sup>th</sup>, and 29<sup>th</sup>, 2020, via WebEx).** The STCU ED attended via WebEx plenary sessions of the Global Partnership.

**Attendance of GP Biological Sub-Working Group Virtual Meetings (August 18<sup>th</sup> and September 17<sup>th</sup>, 2020).** The STCU ED met via WebEx with representatives of biological sub-working group programs.

**Attendance of CBRN Sub-Working Group's Third and Fourth Virtual Meetings (September 10<sup>th</sup>, and October 16<sup>th</sup>, 2020, via WebEx).** The STCU ED met via WebEx with representatives of CBRN sub-working group.



**Attendance of EU CBRN Centres of Excellence (CoE) Meeting of the National Focal Points (1st and 2nd, October, 2020, via Zoom).** The STCU ED and Senior Deputy DED participated via ZOOM with the CoE SEEE National Focal Points to bring them up to speed on the second LIONSHIELD table-top and field exercise planned to be conducted in 2021/2022 in Ukraine.

**Attendance of GP Chemical Sub-Working Group Fourth Virtual Meeting (October 22nd, 2020, via WebEx).** The STCU ED met via WebEx with representatives of chemical sub-working group.

**ED attends Information Sharing Initiative for Nuclear Security in Ukraine, (October 21st, 2020, via WebEx).** The ED attended the fifth forum which provides a venue for the exchange of information on technical assistance to Ukraine in the areas of concern to the Global Partnership Nuclear Security Sub-Working Group.

**ED attends DOS/ISN/CTR Implementers Workshop, (October 26-28, 2020, via WebEx).** The ED attended this workshop which provides more information on CTR's program lines of effort, its goals and objectives for FY2021, and provides up to date information for its projects.

Curtis "B.J." Bjelajac  
Executive Director

## 7 Actual to Budget 2020

STCU	AOB Budget v Actual		Year ending 31 December 2020		
	Budget full year \$	Actual to 31 August \$	Forecast final 4 months \$	Forecast full year \$	Percentage Utilised %
<b>Non-Recurring Expenses</b>					
Facility Improvements	2,000.00	0.00	0.00	0.00	0.0
Office Equipment	2,000.00	0.00	0.00	0.00	0.0
Computer Hardware	13,000.00	6,671.33	6,300.00	12,971.33	99.8
Computer Software	24,500.00	10,832.75	13,600.00	24,432.75	99.7
<b>Subtotal Non-Recurring Expenses</b>	<b>41,500.00</b>	<b>17,504.08</b>	<b>19,900.00</b>	<b>37,404.08</b>	<b>90.1</b>
<b>Recurring Expenses</b>					
<b>Personnel</b>	<b>532,000.00</b>	<b>314,010.95</b>	<b>173,227.38</b>	<b>487,238.33</b>	<b>91.6</b>
Local Grant Payments	425,000.00	281,798.13	140,899.07	422,697.20	99.5
<b>Staff Education &amp; Training</b>	<b>37,000.00</b>	<b>603.24</b>	<b>301.62</b>	<b>904.86</b>	<b>2.4</b>
Employee Morale & Welfare	22,000.00	4,053.39	14,026.70	18,080.09	82.2
Medical Plan	48,000.00	27,556.19	18,000.00	45,556.19	94.9
<b>Travel</b>	<b>85,000.00</b>	<b>5,887.35</b>	<b>9,243.68</b>	<b>15,131.03</b>	<b>17.8</b>
<b>International Travel</b>	<b>25,000.00</b>	<b>635.57</b>	<b>317.79</b>	<b>953.36</b>	<b>3.8</b>
<b>Travel within the CIS</b>	<b>50,000.00</b>	<b>3,061.12</b>	<b>1,530.56</b>	<b>4,591.68</b>	<b>9.2</b>
Travel within the CIS - Monitoring	35,000.00	2,065.46	1,032.73	3,098.19	8.9
Travel within the CIS - ED	15,000.00	995.66	497.83	1,493.49	10.0
Local Travel	10,000.00	2,190.66	7,395.33	9,585.99	95.9
<b>Office Operations</b>	<b>98,500.00</b>	<b>23,323.35</b>	<b>33,394.82</b>	<b>56,718.17</b>	<b>57.6</b>
Representation	3,000.00	433.72	250.00	683.72	22.8
Postage & Delivery	3,000.00	548.70	274.35	823.05	27.4
Customs Facilitations	500.00		0.00	0.00	0.0
General Office Supplies	5,000.00	888.55	4,044.28	4,932.83	98.7
Office Equipment Repair & Maintenance	3,000.00	56.98	1,828.49	1,885.47	62.8
Printing & Reproduction	3,000.00	0.00	1,000.00	1,000.00	33.3
Telecommunications Services	9,000.00	2,569.77	6,684.89	9,254.66	102.8
Business Meetings	6,000.00	0.00	6,300.00	6,300.00	105.0
Subscriptions & Publications	2,000.00	596.16	298.08	894.24	44.7
Building Supplies	5,000.00	759.70	3,979.85	4,739.55	94.8
Insurance	4,000.00	1,849.12	924.56	2,773.68	69.3
Bank Fees - Offshore	40,000.00	10,265.93	5,132.97	15,398.90	38.5
Bank Fees - Onshore	15,000.00	5,354.72	2,677.36	8,032.08	53.5
<b>Branch Offices</b>	<b>31,000.00</b>	<b>4,259.31</b>	<b>24,329.66</b>	<b>28,588.97</b>	<b>92.2</b>
<b>Contracted Services</b>	<b>65,000.00</b>	<b>1,047.02</b>	<b>62,737.62</b>	<b>63,784.64</b>	<b>98.1</b>
Legal Services	2,000.00	523.23	261.62	784.85	39.2
Accounting & Auditing	43,000.00	0.00	43,000.00	43,000.00	100.0
Other Professional Services	20,000.00	523.79	19,476.00	19,999.79	100.0
<b>Subtotal Recurring Costs</b>	<b>811,500.00</b>	<b>348,527.98</b>	<b>302,933.14</b>	<b>651,461.12</b>	<b>80.3</b>
<b>Contingency - Recurring</b>	<b>11,000.00</b>	<b>2,239.53</b>	<b>3,500.00</b>	<b>5,739.53</b>	<b>52.2</b>
<b>Total Administrative Expenses</b>	<b>864,000.00</b>	<b>368,271.59</b>	<b>326,333.14</b>	<b>694,604.73</b>	<b>80.4</b>

## Appendix: Forecast government project and SB expenditure 2021

Project #	Partner Name if Partner Project	U.S. Amount Funded Total	EU Amount Funded Total	Total Funded by All FPs	Duration of Project in Months	# of Months in 2021 project active	U.S. Amount Budgeted in 2021	EU Amount Budgeted in 2021	Total Amount Budgeted in 2021
9601		\$0	\$143,704	\$143,704	48	12	\$0	\$35,926	\$35,926
9607		0	140,341	140,341	48	12	0	35,085	35,085
9700		0	4,122,650	4,122,650	66	12	0	749,573	749,573
9812		0	1,766,850	1,766,850	48	12	0	441,713	441,713
9815		0	588,950	588,950	36	12	0	196,317	196,317
9816		0	1,177,900	1,177,900	23	7	0	358,491	358,491
9904		0	182,783	182,783	36	5	0	25,387	25,387
9905		0	431,866	431,866	37	5	0	58,360	58,360
9906		0	91,566	91,566	33	5	0	13,874	13,874
P438b	European Office of Aerospace Research and Development (EOARD)	100,000	0	100,000	51	5	9,804	0	9,804
P585a	European Office of Aerospace Research and Development (EOARD)	125,000	0	125,000	60	3	6,250	0	6,250
P633a	UK MINISTRY OF DEFENCE	0	93,682	93,682	24	12	0	46,841	46,841
P649a	European Office of Aerospace Research and Development (EOARD)	125,000	0	125,000	60	5	10,417	0	10,417
P685	Bundeswehr Institute of Radiobiology	0	475,636	475,636	60	12	0	95,127	95,127
P718	Cleansky - Horizon 2020	0	2,002,040	2,002,040	38	6	0	316,112	316,112
P719	Loughborough University	0	122,973	122,973	48	12	0	30,743	30,743
P729	DBE TEC GmbH	0	141,878	141,878	30	3	0	14,188	14,188
P733	Royal Military Academy of Belgium	0	178,885	178,885	49	12	0	43,809	43,809
P735	European Office of Aerospace Research and Development (EOARD)	80,000	0	80,000	18	3	13,333	0	13,333
P738	Cleansky2 - Horizon 2020	0	1,174,955	1,174,955	48	12	0	293,739	293,739
P740a	The Belgian Nuclear Research Centre	0	17,669	17,669	12	6	0	8,834	8,834
P742	Kaunas University of Technology	0	325,630	325,630	45	12	0	86,835	86,835
P747	Kaunas University of Technology	0	198,947	198,947	42	12	0	56,842	56,842
P751	European Office of Aerospace Research and Development (EOARD)	40,000	0	40,000	24	8	13,333	0	13,333
P752	Swedish Radiation Safety Authority	0	41,227	41,227	24	12	0	20,613	20,613
P753	Nanotechcenter	0	223,911	223,911	60	12	0	44,782	44,782
P754	Nanotechcenter	0	167,934	167,934	60	12	0	33,587	33,587
P756	Technische Universitat Braunschweig	0	117,790	117,790	36	12	0	39,263	39,263
P757	Cleansky2 - Horizon 2020	0	535,650	535,650	30	12	0	214,260	214,260
P759	The University of Granada	0	21,202	21,202	27	12	0	9,423	9,423
		<b>\$470,000</b>	<b>\$14,486,620</b>	<b>\$14,956,620</b>			<b>\$53,137</b>	<b>\$3,269,723</b>	<b>\$3,322,860</b>
	SBs of programme nature (export control, patents, partner promotion)						0	159,017	159,017.00
							<b>53,137</b>	<b>3,428,740</b>	<b>3,481,877</b>