

AGENDA
59th Meeting of the STCU Governing Board
October 9th, 2024
Hybrid-Brussels, Belgium

1. Opening of the Meeting

- | | | |
|-----|--|------------------------------|
| 1.1 | Opening Remarks from the GB Chair | (Chair, 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 58th GB meeting conducted on May 22, 2024 (changes received only from UA Party) | (GB Members) |
| 3.2. | Review of 59th Draft Record of Decisions & Funding Sheets | (Curtis "B.J." Bjelajac) |
| 3.3. | Executive Director Report | (Curtis "B.J." Bjelajac) |
| 3.4. | Presentation of December 31, 2023, Audited Financial Statements and Management Letter | (Anthony Nichol) |
| 3.5. | Update on 2024 AOB/SB Expenditures | (Anthony Nichol) |
| 3.6. | 2025 AOB and SB Budget Request | (Anthony Nichol) |
| 3.7. | Presentation of 2023 Annual Report | (Curtis "B.J." Bjelajac) |
| 3.8. | Discuss/Approve 60th GB schedule | (Curtis "B.J." Bjelajac) |
| 3.9. | Finalize 59th GB Record of Decisions and Funding Sheet | (GB Members) |

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) |

STCU Governing Board 59
October 9, 2024
List of Participants

CHAIR: Mr. Eddie Maier, European Commission (Retired)

Azerbaijan

Gulam BABAYEV Azerbaijan Information Officer
STCU

European Union

Maria Rosa SABBATELLI Board Member
Head of Unit
Global & Transregional Threats &
Challenges (FPI.1)
Service for Foreign Policy Instruments
European Commission

Sorin POPA Programme Manager
European Commission

Carmen GODEANU Finance Specialist
European Commission

Georgia

Rusudan JOBAVA Head
International Relations and Fundraising Office
Shota Rustaveli National Science Foundation

Ukraine

Denys KURBATOV Board Member
Deputy Minister
Ministry of Education and Science of Ukraine

Grygorii MOZOLEVYCH Director General
Science Development Directorate
Ministry of Education and Science of Ukraine

Mikhailo HREBENIUK Science Attaché
Mission of Ukraine to the European Union



United States of America

Barbara Hall

Acting Board Member
Office of Cooperative Threat Reduction
U.S. Department of State

Andrew HOOD

Office of Cooperative Threat Reduction
U.S. Department of State

Gabriela DEL CANTO

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



59TH MEETING OF THE STCU ADMINISTRATIVE BOARD

October 09, 2024

Deputy Minister
DENYS KURBATOV

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DESTRUCTION AND DAMAGE OF RESEARCH INFRASTRUCTURE

About **3/4** of russian missiles hit **civillian objects**



1,443 education and research buildings were damaged or destroyed



177 research institutions (RIs) and higher education institutions (HEIs) of Ukraine were damaged or destroyed

The cost of restoring only the immovable property infrastructure of the scientific sector of Ukraine is minimally estimated at more than

EUR 1,17 billion

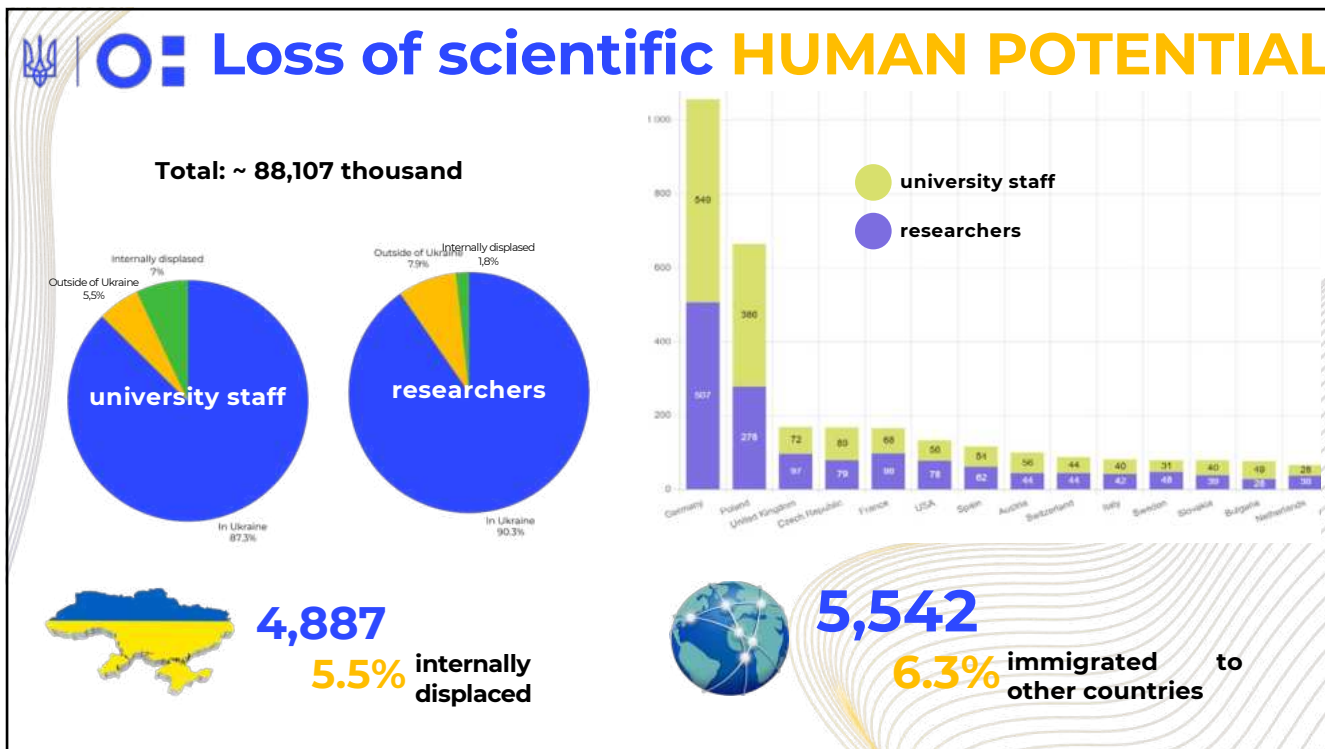
Sumy
September 3, 2024



Kharkiv
September 2, 2024



2



3



4



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Strategic Action Plan MoES of Ukraine by 2027

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

PRIORITY 6:

Development of Science and Innovation

Education of Winners

Strategic objective 6.1.
Research infrastructure in Ukraine is systematically developed, efficiently used, and integrated into the European research area.

Strategic objective 6.3.
Research staff's potential is capable, and the research staff carries out high-level qualitative research and ensures the creation of competitive research developments and innovative products.

Strategic objective 6.2.
R&D is maximally focused on solving global scientific challenges and specific knowledge-intensive tasks in defense, security, economy, and Ukrainian society.

Strategic objective 6.4.
Funding system for research sphere is multi-channeled and efficient, contributing to the providing of quality of research at various levels.

KEY INITIATIVES

Streamlining and Deregulation

- ☐ of scientific activities allows effective use of scientists' time and resources, flexible use of funds, and development of the field.
- ☐ **Innovation ecosystem development** stimulates the development of science-intensive innovation ecosystems in higher education institutions and research institutions
- ☐ **Basic state funding system encourages** research quality, focusing on its impact on defense capabilities, recovery, and reconstruction of Ukraine.
- ☐ **Creating favorable conditions** and removing barriers for attracting non-budgetary funds (business and foreign sources) for research and the creation of science-intensive innovations.

Applied Research Development

- ☐ target specific science-intensive issues in defense, security, economy, and society
- ☐ **Access to research infrastructure** ensures access to evolving and efficiently utilized Ukrainian research infrastructure as part of the European network.
- ☐ **Internationalization** of Ukrainian science enhances competitiveness by increasing the involvement of Ukrainian scientists in international partnerships and projects
- ☐ **Comprehensive digitalization** building a nationwide system for collecting and analyzing data in the field of science.

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LEGISLATIVE WORK

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Legislative work



OO 6.1.2

10218 Draft law on amendments to the law of Ukraine “On scientific and scientific-technical activities” **regarding research infrastructure and support for young scientists**

(important: mechanism change of State order for R&D!!, synchronization with the EU, support for young scientists in the Armed Forces of Ukraine)

adopted in the 1st reading
preparing for the 2nd reading






OO 6.3.1

10424 Draft Law on Amendments to the Law of Ukraine “On Scientific and Scientific-Technical Activities” **regarding the establishment of target performance indicators for heads of scientific institutions, define strategies and promising areas of activity of scientific institutions**

adopted in the 1st reading
preparing for the 2nd reading

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 |  **OO 6.1.2 Legislative regulation of elements and principles of innovation infrastructure development**

 The draft law “**On Support and Development of Innovative Activities**” has been developed and is being approved by **15** central executive bodies

NOVATIONS:

- 01 defining the legal status of startups and the stages of their development
- 02 legal regulation of **innovation infrastructure elements**: innovation parks, hubs, clusters, accelerators and incubators
- 03 **removal of bureaucratic restrictions** on state registration of innovative projects
- 04 **new forms and support mechanisms** of innovation and innovation ecosystems
- 05 determining the range of **state support providers**
- 06 improving the **institutional structure** of management in the field of innovation

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 |  **OO 6.2.1 Creating conditions for increasing the level of implementation (commercialization) of research results**

4623 Draft Law of Ukraine “On Amendments to Certain Laws of Ukraine regarding the Stimulation of Activities in the Field of Technology Transfer”



the new version of the draft law was finalized and sent to the Committee for consideration by the letter of the MESU dated 10.07.2023

Key points:


- 01 harmonization of legislation on technology transfer with **EU legislation**
- 02 improving information support for technology transfer
- 03 defining the **mechanism of foreign patenting** at the expense of the state budget, introducing innovation vouchers
- 04 improving the procedure for **registering technologies** created or purchased with budgetary funds
- 05 **abolition of the procedure for approving the transfer of technologies** and/or their components created or purchased with budgetary funds which are transferred abroad
- 06 establishing the peculiarities of purchasing foreign technologies with budgetary funds
- 07 introducing new support instruments in order to enhance technology transfer

 the draft law is **European integration in its content and was developed to implement the Association Agreement between Ukraine and the EU**

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  **OO 6.2.1 New priorities for science, technology and innovation**

- The Law of Ukraine on Amendments to the Priority Areas of Science and Technology Development and the Law of Ukraine on Priority Areas of Innovation Activity in Ukraine was adopted:
- for the first time, the SAFETY direction was included
- the priorities were extended until December 31 of the year, following the termination of martial law
- The Cabinet of Ministers of Ukraine adopted 3 resolutions on lower-level priorities
- The draft law "On Amendments to Certain Laws of Ukraine on Updating the System of Priority Areas in the Fields of Scientific, Scientific-Technical and Innovative Activities" was developed





~~the ukrainian science and the Ukraine don't need 540+ priorities~~

A new concept of priorities:

- formation of new priority areas based on the results of the forecasting and analytical studies
- basic funding based on the results of attestation - formation of topics within the framework of academic autonomy;
- competitive funding - the formation of topics exclusively based on new priorities;
- determination of new priorities on a competitive basis through the tools of the State Order for STP

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  **MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE**

IMPLEMENTATION OF PERFORMANCE BASED HEIs/RIIs RESEARCH FUNDING

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OO 6.4.1 Science City

Science City as an element of Diia City and a guarantee of sustainable development of science parks of HEIs/RIs

Researchers become residents of Diia.City under the condition:

- the state's share in the authorized capital of researchers is not taken into account for obtaining residency status
- carrying out activities in accordance with the Law of Ukraine "On Science Parks"
- the average monthly remuneration of the involved employees and gig specialists is not less than the equivalent of **800 euros**
- the average number of employees and gig specialists at the end of each month is **at least 9 people**
- in case of adoption of the draft Law of Ukraine Reg. No. 9319, researchers can acquire resident status for the period of formation (up to 1 year)

As a result, researchers get:

as residents of Diia.City

- ✓ 0% VAT rate
- ✓ 5 % PIT
- ✓ sustainable **tax benefits** for 25 years
- ✓ **the possibility of booking** engineering and technical specialists

as researchers

- ✓ **simplified terms of lease** of state and municipal property (**without auction**)
- ✓ **customs preferences** for the import of scientific and innovative production equipment
- ✓ a **simplified procurement procedure** for business/international projects of researchers
- ✓ **taking into account the performance** of researchers in the evaluations and attestations of the parent HEIs/RIs
- ✓ **flexibility and investment attractiveness**

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OQ 6.4.1 Science City

The concept of the legal regime was developed

A **package of amendments** to legislation has been prepared to implement **Science City**, namely amendments to:

- Law of Ukraine of 15.05.2003 No. 755-IV **"On State Registration of Legal Entities, Individual Entrepreneurs and Public Organizations"**
- Law of Ukraine of 25.06.2009 No. 1563-VI **"On Science Parks"**
- Law of Ukraine of 25.12.2015 No. 922-VIII **"On Public Procurement"**
- Law of Ukraine of 03.10.2019 No. 157-IX **"On Lease of State and Municipal Property"**

- Law of Ukraine of 26.11.2015 No. 848-VIII **"On Scientific and Scientific-Technical Activities"**
- Law of Ukraine of 15.07.2021 No. 1667-IX **"On Stimulating the Development of the Digital Economy in Ukraine"**
- Customs Code of Ukraine

Responses to inquiries to the State Tax Service of Ukraine and the State Treasury Service of Ukraine regarding customs payments and the special fund of HEIs and RIs were received and processed

The start of public discussion is being prepared

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INTEGRATION INTO THE EUROPEAN RESEARCH AREA

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OO 6.3.3 Network of National Contact Points of the EU program "Horizon Europe"

2023-2024:

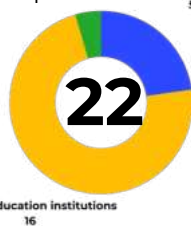
- ✓ Horizon Europe office was established
- ✓ 39 representatives of Ukraine in the PC were selected



22 national contact points in 10 cities across the country

2027 is the program implementation period

NCP activities will be assessed by **15 KPI**



Amount of funding in 2024
EUR 128.05 K

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6.1.2 PSF-analysis of research infrastructure







The first wave of interviews of the Ukrainian side by the European Commission experts has begun



from September 04 to September 09



The second wave of interviews is scheduled for November

Roadmap






MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

DEVELOPMENT OF COMPETITIVE FUNDING





Joint expert base formation

Наповнення форми

АНКЕТА ЕКСПЕРТА МОН УКРАЇНИ (для тих, хто проводив експертизу в Системі НАУКА)

АНКЕТА ОПИТОУВАНОГО ДАНОГО ЕКСПЕРТА МОН УКРАЇНИ в експертних проєктах наукових досліджень, науково-технічних (експериментальних) розробок, матеріальних державної апаратури наукових установ та ЗВО. Іншим конкурентам та суб'єктам, які проводять Міністерство освіти і науки України, а також відповідні закладні державної освіти і науки України.

FOREIGN EXPERTS ARE BEING SELECTED UNTIL OCTOBER 1ST

238 foreign experts

990 verified experts

1005 new experts

Draft

QUESTIONNAIRE for potential experts of the Ministry of Education and Science of Ukraine

st name*

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State order for R&D

THE MAIN INNOVATIONS OF THE COMPETITION:

Amount of funding in 2024

EUR 2.8 mln

- **for the first time, the ministries and other CEBS were involved in the development of priority topics and initial Technical Tasks: among them: Ministry of Defense, Ministry of Strategic Industries, Ministry of Digital Transformation, Ministry of Internal Affairs, Ministry of Environment, Ministry of Infrastructure, Ministry of Energy, Ministry of Health, Ministry of Agrarian Policy and the State Service of Special Communications**
- **the procedure for evaluating applications was improved** by combining a closed peer review and an additional evaluation by a commission with the participation of the customer through a pitching presentation;
- **digitalization of the Competition in the National Electronic Scientific Information System;**
- the possibility of **attracting co-financing** at the expense of small, medium and large businesses **was ensured.**
- **the institute of development curators from customers and end users was introduced;**
- **the amount of development funding was increased to a maximum of EUR 220 K;**

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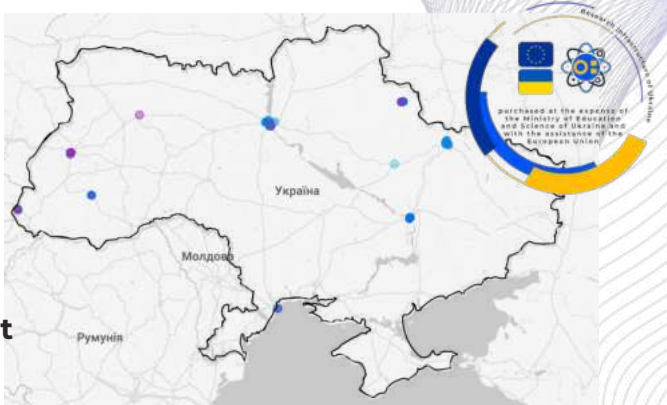
DEVELOPMENT OF RESEARCH INFRASTRUCTURE



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OO 6.1.2 Development of the CCUSE network

ЦККНО	Називне обладнання	Запити на обладнання
№1	Спектр (ЦККНО)	ЦККНО на карті
№2	ЦККНО "Лабораторія фізичних, хімічних, біологічних та медичних досліджень"	
№3	ВІД, Тернопільська обл., Київ, Володимирська	Національний університет "Київський політехнічний інститут"
№4	№ 1008	№ Київ
№5	Лабораторія підтримки технічного створення та функціонування інструментів та обладнання	
№6	РІСД, м. Київ	Національний університет "Київський політехнічний інститут"



10 CCUSEs received funds for equipment worth more than **EUR 1.53 million**.

72 CCUSEs registered in the system

180 units of research equipment are available in the centers worth more than **EUR 220 million**

140+ units of research equipment are required by the centers for their development worth more than **EUR 21.8 million**



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 |  **Energy sustainability of research infrastructure**

ЕНЕРГЕТИЧНА СТІЙКІСТЬ І СТАЛИЙ РОЗВИТОК: МОН РОЗПОЧИНАЄ ПРОЄКТ ІЗ МОДЕРНІЗАЦІЇ ЦЕНТРІВ КОЛЕКТИВНОГО КОРИСТУВАННЯ НАУКОВИМ ОБЛАДНАННЯМ

Опубліковано 05 березня 2024 року о 19:20

19 CCUSEs
will receive funds for the construction of SPPs with a capacity of up to 40 kW each

 **Amount of funding EUR 700 K**



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 |  **MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE**

OTHER INITIATIVES AND PROJECTS




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 |  **6.4.3 National system of researchers**

МОН ПРОПОНУЄ ДО ГРОМАДСЬКОГО ОБГОВОРЕННЯ
ПРОЄКТ РОЗПОРЯДЖЕННЯ КМУ «ПРО СХВАЛЕННЯ
КОНЦЕПЦІЇ ПІДТРИМКИ ТА РОЗВИТКУ КАДРОВОГО
ПОТЕНЦІАЛУ СФЕРИ НАУКОВОЇ І НАУКОВО-ТЕХНІЧНОЇ
ДІЯЛЬНОСТІ «НАЦІОНАЛЬНА СИСТЕМА ДОСЛІДНИКІВ
УКРАЇНИ»

опубліковано: 22 березня 2024 року о 15:31









3000
researchers are planned
to be supported

 estimated
EUR 7 million
the required amount of funding

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 |  **6.2.3 State support for scientific publications**

**Criteria for participation in
the competitive selection**

-  simultaneity of founding and publishing
-  indexing by Scopus and/or Web of Science Core Collection databases for more than two years in a row
-  included in the List of scientific professional publications of Ukraine and assigned category "A"





The draft resolution of
the Government of
Ukraine has passed
PUBLIC DISCUSSION

 estimated
EUR 196.2 K
the required amount of funding

The criteria for the competition committee's decision to provide state support are **the impact indicators of the publication**, determined by international scientometric databases and ratings.

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  **Introduction of an extensive system of academic integrity in science**

INTRODUCTION OF SIGNS OF PREDATORY PUBLICATIONS



Predatory Reports Criteria

This policy establishes the criteria for identifying deceptive, fraudulent, and/or predatory journals for inclusion in Cabells Predatory Reports. The Cabells Predatory Reports Review Board uses the following criteria:




deceptive, fraudulent, and/or predatory journals for inclusion in Cabells Predatory Reports. The Cabells Predatory Reports Review Board uses the following criteria:

assigned a score based on the following criteria:



according to the following criteria:



PLANNED IMPLEMENTATION

-  **Implementation of an electronic resource of dishonest/collaboration cases in science (analogous to Myrotvorets)**
-  **Setting clear requirements for category “B” publications**
-  **Introduce lists of leading publications in trusted industries**

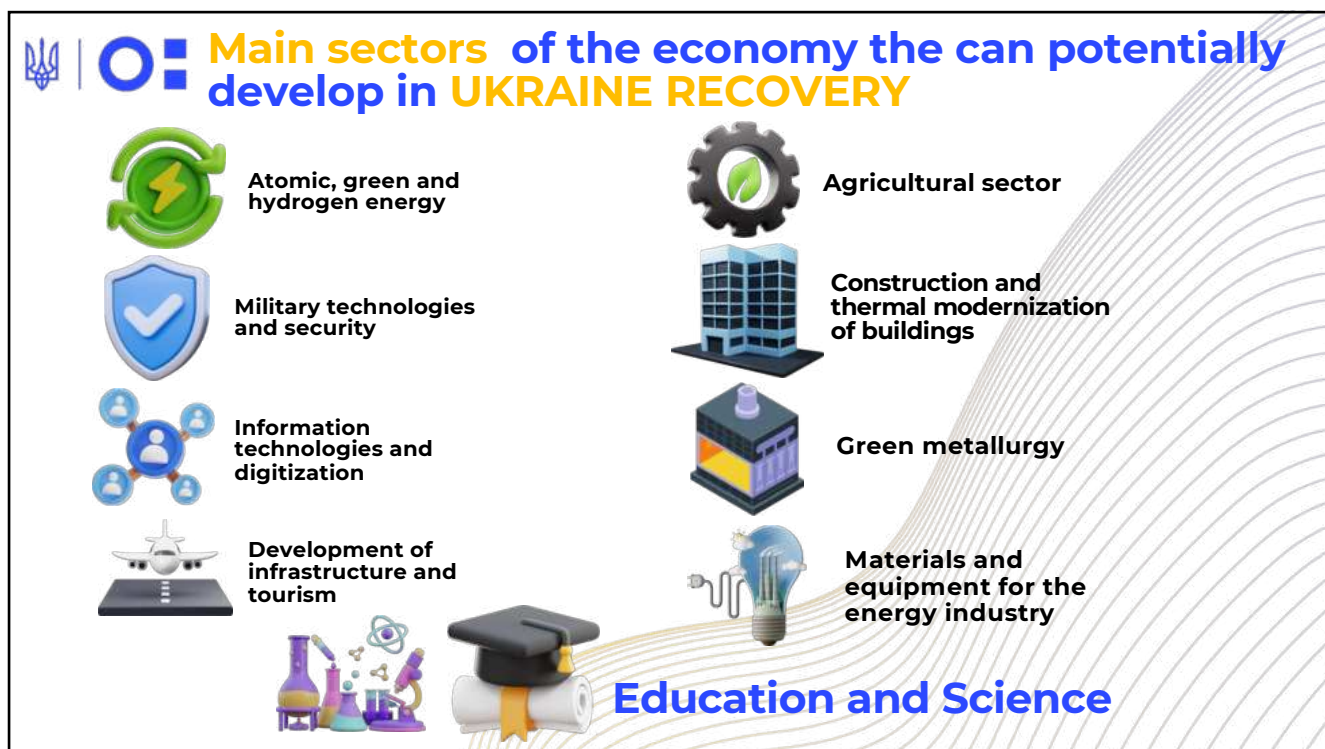
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  **MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE**

MAIN TASKS FOR THE UKRAINIAN R&I AREA in the WAR and POST-WAR PERIOD

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 |  **Main tasks for the UKRAINIAN R&I AREA in the WAR and POST-WAR PERIOD**

- ▶ **gradual increase of state GDP** expenditures on scientific research to the average European level - **2%** (in 2023 in Ukraine - **0.4%**);
- ▶ **creation of all the necessary conditions for the work of scientists in Ukraine and the return of our scientists**, in particular from abroad;
- ▶ deregulation and creation of conditions for attracting non-budgetary funds (**funds from business and foreign sources**) for conducting research and creating science-intensive innovations (**Science City**);
- ▶ implementation of **performance based HEIs/RIs research funding**
- ▶ restoration and modernization of the **research infrastructure network**;
- ▶ **further integration into the European and global research area.**



Ukraine Recovery Plan

Ukraine Recovery Vision: "Strong European Ukraine is a magnet for international investments". Ukraine's Recovery is aimed to accelerate sustainable economic growth. The plan identifies a list of National programs to achieve key results.

[LEARN MORE](#)

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MAIN NEEDS

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Separation from russia, countering propaganda

Instructional letter of the MESU

on the necessity of termination and inadmissibility of any scientific (scientific and technical) cooperation with representatives, organizations, institutions, enterprises of the aggressor state - ~~russia-and-belarus~~



DOAJ

supported the position of the **MESU**

to remove representatives of the aggressor state from the **DOAJ Council of Ambassadors**.



DOAJ

indexation was **3**
stopped for
Ukrainian publications that were
actually stolen by russia



SPECIAL COMMISSION OF THE MESU

on countering russian propaganda and fakes in the international scientific community of russia

the composition of the **commission** is being formed, which will be approved by an order of the MESU

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Combating **russian propaganda** and collaboration in the academic sphere

Main Activities:

- Research on cases where science is used as a tool for russian propaganda
- Study of international organizations' cooperation with active supporters of aggression against Ukraine within the academic community
- Investigation of editorial boards of russian journals for discrepancies with reality (fake editorial boards)
- Creation and maintenance of a database of academic collaborators
- Research on the cooperation between Ukrainian institutions and academicians with the aggressor country

Expected Outcomes:

- Exclusion of russian journals from scientometric databases (Scopus/WoS)
- Cancellation of the publication of russian journals by international publishers
- Prevention of new cases of russian propaganda and disinformation in the academic sphere
- Cessation of cooperation between Ukrainian institutions and russia
- Development of analytical reports on main activities
- Dissemination of results within the academic community (publication of analytical reports and papers based on them) and in the media (leading Ukrainian and global media)
- Withdrawal of international academicians from the editorial boards of russian journals
- Elimination of existing cases of russian propaganda in the academic sphere
- Termination of cooperation between international academic institutions and russian organizations that support aggression against Ukraine
- Creation of a database of academic collaborators and traitors
- Establishing networking with international academicians who actively support our research efforts

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Addressing Sanctions Compliance and Combating Russian Propaganda in Science

- **Sanctions** against **Russian institutions** located in occupied Ukrainian territories and **sanctions** against **authors and journals** that spread this **disinformation**
- **Sanctions** gainst stolen scientific journals by **Russia**

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 | **Supporting Researchers and Innovators in Ukraine in particular young**


-  **Financial support** for the competition, including awards for the winners and participants
-  **Informational support** to attract international teams to participate in the competition

 **estimated EUR 7 million** for National system of researchers



 **estimated EUR 5 million** for extension of the EURIZON project




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 | **Creation of a physical protection system for the Institute for Nuclear Research of the National Academy of Sciences of Ukraine with a research nuclear reactor**


Main tasks:

-  The Institute conducts important research for the nuclear energy complex of Ukraine.
-  The Institute has a VVER-M research reactor and numerous laboratories with radioactive materials.

 **estimated EUR 1,44 million**

Project objective

-  To create a physical protection system for the Institute for Nuclear Research with a research nuclear reactor.
-  The project is designed to protect radiation sources and nuclear materials.



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 **Ukrainian Laboratory of Quality and Safety of Agricultural Products**

Established in accordance with the Resolution of the Cabinet of Ministers of Ukraine No. 584-r dated October 2, 2003
Compliance with the requirements of ISO/IEC 17025:2017 (Certificate No. 20724)

Main tasks:

- Scientific, methodological and analytical support for quality and safety management of food products and agricultural raw materials
- Analysis of chemical, biological and environmental risks
- Performing more than 1,000 types of tests according to national and international standards (physicochemical, spectrometric, chromatographic, microbiological, molecular genetic, etc.)
- Determination of explosives, mycotoxins and heavy metals

 **estimated EUR 224 K per year**

Activities:


- State testing of pesticides and agrochemicals
- Member of the Global Soil Laboratory Network (GLOSOLAN)
- Operational center for environmental, food and biological safety

Scientific research:




- Investigation of environmental crimes
- Assessing the impact of the war on the environment
- Cooperation with international organizations (CEOBS, JRR, EPA) to study the humanitarian and environmental consequences of the war.



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 **Infrastructure rebuilding or modernizing**

- Restoring **damaged/destroyed** research infrastructure
- Restoring **damaged** MESU infrastructure
- Facilitating the transfer of modern **research equipment**, surplus or decommissioned equipment to **Ukrainian institutions**, based on their specific requests
- Providing additional funding for institutions undergoing **reorganization** due to **war-related damage**.

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 |  **Ensuring Sustainable Energy Supply for Research Activities**

-  Larger **solar power plants** (up to 40 kW) with corresponding battery capacity to provide sustainable power and **generators** (5-7 kW) for critical research activities
-  The handover of **Starlink systems** for stable internet connectivity






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 |  **Logistics support**


-  Organization of **transportation of equipment, materials and necessary resources to scientific institutions**



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 |  **Project to create a scientific data repository**

-  **Technical support** from partners in particular data steward
-  **Financial support** for the development and maintenance of the platform
-  **Training and user support** for scientific institutions to effectively use the repository



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 |  **Supporting research in the field of cybersecurity**

-  **Financial support** for the **competition**, including awards for the winners and participants
-  **Informational support** to attract international teams to participate in the competition




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**THANK YOU FOR
YOUR ATTENTION**

Deputy Minister
Denys KURBATOV





**Summary of the STCU 58th GOVERNING BOARD MEETING
via Webex
May 22, 2024**

Chair

Mr. Eddie MAIER, Retired

European Union:

Mr. Sorin POPA, Programme Manager – EU Policies, Stability and Peace - Global and Transregional Threats (FPI.1), Service for Foreign Policy Instruments, European Commission

Ukraine:

Mr. Grygorii MOZOLEVYCH, Director General, Science Development Directorate, Ministry of Education and Science of Ukraine (MESU)

United States of America:

Ms. Barbara HALL, Office of Cooperative Threat Reduction, U.S. Department of State
Mr. Andrew HOOD, Office of Cooperative Threat Reduction (ISN/CTR), U.S. Department of State
Mr. Jim THOMPSON, Office of Cooperative Threat Reduction (ISN/CTR), U.S. Department of State
Ms. Angela Vasović, Office of Cooperative Threat Reduction (ISN/CTR), 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. Donald HATCH, Office of Nonproliferation and Arms Control, National Nuclear Security Administration, U.S. Department of Energy

Secretariat ISTC

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

1.1 Opening Remarks (where possible, and for accuracy, most remarks are transcribed in their entirety)

Eddie Maier, the STCU Chair, opened the meeting with the following remarks, "I would like to welcome the Parties, Executive Director, members of the ISTC, colleagues, and friends. I will keep my remarks short, as we have a very packed agenda. I have special thoughts for the people in Kharkiv who are under heavy aggression over the last weeks, and I hope that this will stop soon. Unfortunately, it appears that the war with Russia is far from over, and I just hope that it doesn't extend to other countries, such as other members of the STCU. I pray for the people of Kharkiv. I would also like to take this opportunity to apologize to my ISTC colleagues (Chairman Lehman, David and Sonya), as I will not be able to make it to Astana for the ISTC's 30th Anniversary on the 7th of June 2024. Congratulations to the ISTC!" The Chair then invited opening remarks from the United States.



Ms. Hall spoke on behalf of the U.S. and stated: “Thank you Mr. Chairman. I will also keep my remarks short. Deputy Assistant Secretary Insley hoped to be here today, but unfortunately, she had unavoidable travel, so I'll be representing the United States Party. I am very pleased that Regina Carter and Donald Hatch from the U.S. Department of Energy are also able to join us today, as well as a few of my colleagues from the U.S. State Department's Bureau of International Security and Non-proliferation. Sorin and Mr. Mozolevych, it's great to see both of you today. As always, thank you for your partnership. The U.S. Party wants to extend its thanks to the Chairman, the STCU Secretariat, B.J., Anthony, Mykola, and to the entire STCU team. You are all doing incredible work. Very important work, in very challenging circumstances. I'm sure the Executive Director will discuss this later in today's meeting, but I would like to highlight the record funding year the STCU already had in 2023 and congratulate the Center on this year, which will likely surpass last year's record year in funding. This achievement is truly a reflection of the importance that all the Parties and Partners place on Ukraine and our commitment to supporting our Ukrainian Partners. We are grateful for the STCU's tireless efforts under the Executive Director's leadership to execute these incredibly important projects and know that the work will and must continue. Thank you. I look forward to today's conversations and discussions.”

Mr. Maier thanked Ms. Hall for her remarks and next welcomed opening remarks from Ukraine.

On behalf of the Ukrainian Board member, Deputy Minister Kurbatov, who was unable to attend the meeting, Mr. Grygorii Mozolevych, Director General, Science Development Directorate, Ministry of Education and Science of Ukraine provided the following remarks (Mr. Mozolevych's remarks are summarized and presented in bullet point format for clarity). Mr. Mozolevych expressed his gratitude to the Chairman, colleagues, friends, and partners on behalf of the Government of Ukraine and the Ukrainian scientific community. He congratulated the Center with the tripling of project activities by the center despite the difficult year for Ukraine. He went on to call the Board's attention to the involvement of hundreds, maybe thousands, of Ukrainian researchers and engineers in various scholarship programs and projects. He thanked the Center's international partners for their strong support during these challenging times. Mr. Mozolevych continued by stating that he would like the Governing Board and the STCU Secretariat to work together on the following issues:

1. Scientific Equipment and Logistics

- There are Multiple offers from international partners to transfer scientific equipment to Ukraine.
- Mr. Mozolevych mentioned a recent meeting with Dr. Susanna Nies, the Project Lead of Green Deal Ukraine, where they discussed possibility of transferring research equipment from Germany to Ukraine.
- He highlighted the current logistical challenges in crossing the border with such equipment.
- Mr. Mozolevych requested the STCU's assistance with these logistical issues.

2. National System of Researchers

- Mr. Mozolevych informed the Governing Board of MESU's desire to establish a National System of Researchers in Ukraine.
- The purpose of such a system is to identify, recognize, support, and promote the best Ukrainian researchers, including young researchers.
- The goal is to provide individual financial support to researchers, with the hope that future projects may support hundreds or thousands of researchers in various fields.

3. Cybersecurity Needs

- Mr. Mozolevych informed the Governing Board that currently MESU is coordinating the scientific community's efforts in cybersecurity research & development and has established a working group to identify long-term research and development areas in cybersecurity.
- MESU realizes the importance of scientific research for national security and defense.
- MESU's aims to increase the level of cybersecurity overall and protect state interests in the digital space.

4. Expertise of Experts

- MESU announced a competition for experts to participate in the implementation of scientific and technical expertise in Ukraine
- MESU extended an invitation for any foreign expert to participate in the expertise of Ukrainian researchers' applications in the field of scientific and technical activity and to join the pool of international experts of the MESU to evaluate the effectiveness of the scientific and technical activities of research institutions and higher education institutions of Ukraine according to the new Methodology developed as part of the reform of the scientific system of Ukraine. Registration form for foreign experts is accessible through the Ukrainian Research Information System.

5. National Action Plan of Open Science

- Mr. Mozolevych requested support for the implementation of the National Action Plan of Open Science.

6. Recovery of Research Infrastructure

- MESU estimates that as of May 2024, one hundred seventy-seven (177) scientific institutions were destroyed or damaged with an estimated cost of damage of more than 51 billion Hryvnias (~\$1.25B or ~€1.16B). MESU would be grateful for assistance from partners in Ukrainian science infrastructure rebuilding or modernizing.
- Mr. Mozolevych emphasized that the damage is still ongoing and the destruction of scientific infrastructure by the Russian Federation due to shelling continues. He continued by specifically mentioning the needs of Research and Design Institute "Molniya" of National Technical University "Kharkiv Polytechnic Institute" (R&DI "Molniya" NTU "KhPI"). He went on to call the Board's attention to the current, difficult situation near Kharkiv due to Russian missile and shelling attacks.

7. Energy Crisis and Needs

- Mr. Mozolevych called the Governing Board's attention to the fact that Ukraine is experiencing an energy crisis affecting research activities.
- MESU sees an urgent need for 16 generators in scientific institutions, also for 40 sets of equipment for 20 leading scientific institutions and HEIs, which includes Starlink, an electric generator with a capacity of 5-7 kW, a system of solar panels up to 20 kW and a battery for it.

Mr. Mozolevych concluded by emphasizing the critical importance of international support for Ukraine. The Ukrainian Party fully support the agenda and confirm their commitment to fulfilling international obligations within the framework of STCU activities. He thanked his colleagues and partners for their attention and support.

Mr. Maier thanked Mr. Mozolevych for his remarks and next welcomed opening remarks from the Executive Director.

Mr. Bjelajac's opening remarks are also summarized, with bullet points, for clarity and structure. Mr. Bjelajac opened his remarks by thanking Mr. Mozolevych for his substantive opening remarks. He welcomed everyone to the STCU's 58th Governing Board meeting. He passed on to the meeting participants the apologies from the absent US and EU Board members, Ms. Insley and Ms. Sabbatelli. Mr. Bjelajac also acknowledged that a number of pressing issues meant that Mr. Kurbatov was also unable to attend today's meeting. He went on to thank all in attendance of today's meeting for their continued active involvement with the Center. Mr. Bjelajac continued by stating that he would like to call the Governing Board's attention to the following issues:

1. Current Situation in Ukraine

- Mr. Bjelajac highlighted the severe infrastructure issues, particularly in Kharkiv and Kyiv, facing the Center and project participants, with daily scheduled power blackouts affecting operations at all levels.
- He mentioned the ongoing efforts to manage power outages at the STCU office (i.e. use of batteries, moving servers to the cloud, etc.).

2. Gratitude to the Team for Their Efforts

- Mr. Bjelajac went on to express his gratitude to the STCU team for their hard work over the past two years and three months since the war started.
- He thanked the STCU's international partners, including ISTC, for their support.
- Mr. Bjelajac pointed out that Ukraine is not the only STCU member facing difficulties; mentioning the challenges in Georgia and Moldova as well.

3. Key Issues for the Board

Mr. Bjelajac informed the Governing Board that today there are two issues that he wanted the Board to understand well as they are the two biggest issues facing the Center today:

I. Project Approvals and Funding

- The STCU is having an incredibly successful year with \$33 million worth of projects already approved from January to April 30th, 2024, which is very close to last year's (2023) record of \$34 million.
- Mr. Bjelajac did caution that the funding is highly concentrated amongst a few projects.

II. Infrastructure Issues at the Center and for Project Participants

- Mr. Bjelajac pointed out the increasingly severe power and infrastructure problems in Ukraine, with scheduled blackouts in Kyiv and daily blackouts in Kharkiv.
- He went on to mention that the STCU's head office in Kyiv is implementing measures to cope with the power outages.
- He concluded his remarks by warning that infrastructure issues could become more problematic going forward.

4. Addressing Mr. Mozolevych's Points

- **Importing Equipment:** The STCU will attempt to assist with importing equipment but needs help from the Cabinet of Ministers of Ukraine, as it is the entity in Ukraine that provides tax and duty-free status for projects.
- **Researcher Support:** Mr. Bjelajac pointed out the new and continued fellowship funding from the U.S. Department of State (~\$700K), the National Academy of Science of the United States (\$1 million), as well as the €4.5 million from Horizon Europe as examples of continued STCU support of Ukrainian researchers.
- **Cybersecurity:** He mentioned that STCU has several ongoing cybersecurity training and projects funded by both U.S. Department of State and the EU's Service for Foreign Policy Instruments. Mr. Bjelajac pointed out that if MESU has cybersecurity training needs, STCU can work with the US and EU to provide this support.
- **Generators:** Mr. Bjelajac pointed out that the current funding received by STCU is almost exclusively for CBRN security, thus he will look to work with colleagues from organizations like DG NEAR to find funding for the generators mentioned by Mr. Mozolevych.
- **Expertise for UA Researchers:** Mr. Bjelajac pointed out that for the most recent fellowships funded by the EU (DGRTD), STCU recruited several European experts to review the more than seven hundred (700) proposals received for the program. The STCU can help to engage these European experts to help with MESU's initiative mentioned by Mr. Mozolevych.
- **Research Infrastructure Damage:** Mr. Bjelajac acknowledged the enormous damage to research infrastructure, but pointed out that STCU will most likely only be able to help with funding for equipment and materials, as large-scale construction projects are not a core strength of STCU (i.e. no construction expertise on staff, etc.).

Mr. Bjelajac concluded by asking Mr. Mozolevych if he missed any of his points raised and mentioned that he will ask Senior Deputy Executive Director Lubiv to create a to-do list to follow-up on the issues raised. Mr. Mozolevych thanked the Executive Director for his comments and agreed that he will work with the STCU Sr. DED to follow-up on these items.

The Chair asked if there were any other remarks from the invited guests. There being no additional opening remarks, the Chair moved on to the next item of business.

2.1 Review and Approval of the 58th GB Agenda

The 58th Governing Board agenda was accepted as presented.

3.1 Review and Approval of the minutes of the 57th GB meeting conducted on October 18th, 2023

The Governing Board approved the minutes as presented.

3.2 Review of 58th Draft Record of Decisions & Funding Sheet

The ED walked the meeting participants through the draft 58th Record of Decisions and Funding Sheets (projects and supplemental budgets) which the Secretariat will ask the GB to approve of at the end of this meeting. There being no questions, the ED moved on to the next agenda topic.

3.3 Executive Director Report

The Executive Director introduced the next topic which was a summary of the ED Report:

- Status of STCU
STCU currently working at or about 100% despite the beginning of electricity issues in Kyiv/Ukraine as compared to the last Governing Board held in October '23.
- Personnel
As of May 22, 2024, six (6) members of the STCU were located outside of Ukraine as follows: Belgium (soon to be Poland), Canada, UK, Germany, Spain, and France.
- Physical Resources
The ED continued by informing the Board that as of May 22, 2024, Kyiv recently moved to scheduled blackouts. This is a very drastic change to the recent status of the electricity for the office (at the end of April '24, there were no scheduled blackouts) and is a direct result of the Russian's Federation's continued campaign to target the electrical infrastructure of Ukraine. The ED stated that to date the electricity situation in the office is manageable; however, the STCU is currently looking at all options to ensure the uninterrupted operation of the Center (i.e. batteries, generators, moving servers to cloud) in the event that the situation with the electrical power continues to deteriorate.
- What tasks are difficult to perform
The ED continued by stating that it is still very difficult for those in Ukraine to travel abroad because of the need to travel by train or car to the border, as well as the long lines at the border (going both in and out of Ukraine). Furthermore, on May 18, 2024, a new mobilization law came into effect in Ukraine which may (remains to be seen) cause additional issues for the travel of men of military age (18 – 60 years old). Thus, international travel for those located in Ukraine is still very problematic.
- Kharkiv
The ED stated that the situation (i.e. security, utility infrastructure, etc.) in Kharkiv remains an issue as it is the focus of the most recent Russian offensive which commenced in early May '24 (i.e. missiles, drones). The STCU is in contact with our partners in Kharkiv almost daily to monitor the situation. As of today, all projects in Kharkiv are still active (no suspensions or terminations).

- Non-Government projects stopped

At the previous Governing Board meetings since the full-scale Russian invasion, the ED called the Governing Board's attention to the possibility that the STCU's private sector projects may decrease and even potentially dry up completely. Unfortunately, the ED continued to point out to this Governing Board that this was indeed the case. Historically, the funding by private sector partner projects was about 20% of STCU funding. Obviously, this is a concern going forward. The ED concluded by pointing out that he doesn't believe the private sector will invest any material funding into Ukraine until the security situation in Ukraine is clear.

- Concentration of large projects remains a potential problem

The ED called the Board's attention to the fact that the funding at this Board for four projects represent approximately 89% of the funding at this GB. This is a continuation of a trend of a high concentration of project funding at the past few Boards. This remains an issue to be monitored going forward.

- 2024 had an enormous start = ~\$33.2M

The ED informed the Governing Board that the STCU signed the following list of large, new projects in the first four months of 2024:

1. **~\$23M** from DOE/NNSA/GMS for a new project with Energoatom to provide 750kV and 330kV circuit breakers and the required infrastructure around them to South UA.
2. **~\$2.2M** from DSA (Norway) to increase their contribution to the new project with DG – INTPA for modernization of dosimetric systems in Chernobyl zone.
3. **~\$3.3M** from Canada to join the same project as highlighted in bullet point 2 above, with DG – INTPA, ISN/WMDT, UK, and Norway for modernization of dosimetric systems in Chernobyl zone.

The Executive Director concluded his presentation by stating that management estimates that 2024 will see a record funding year of \$36M-\$40M. With that he asked if there were any questions/comments. There being no additional questions/comments, the Chair moved on to the next agenda topic.

3.4 Presentation of December 31, 2022, Audited Financial Statements and Management Letter

Mr. Nichol pointed out that the financials were audited for the second time by Crowe Erfolg Ukraine, and that they show an unqualified opinion. This is the fourth year in succession (2019, 2020, 2021, and 2022 audits) that the STCU has received an unqualified opinion. Mr. Nichol went on to point out some important trends in the financial statements as follows:

- ✓ On the income statement, Mr. Nichol pointed out that project revenue figures have gone down from \$10.7M in 2021 to \$8.6M in 2022, which was not unexpected given the start of the war in February '22.
- ✓ On the income statement Mr. Nichol further pointed out that one can see how cost effective STCU has been over the years, pointing out that overhead as a percentage of projects fluctuates between 6% (excluding SB-Service Contracts) and 13% (including SB-Service Contracts) depending upon the year. The percentages for 2022 were higher than 2021 because of the drop off in project expenditures (more than likely due to the war). However, Mr. Nichol concluded by stating that the overhead percentage should stay somewhere near 10% over the years, and possibly decrease, as the Center works on fewer, but larger projects (more project throughput, with steady or only slightly increasing AOB expenses).
- ✓ Mr. Nichol then moved on to the balance sheet pointing out that that there was a slight decrease in the capital accounts from 2021 to 2022 (~\$42M to ~39M, respectively), which reflects the small year in funding that the STCU had in 2022 (~\$8.1M) – again due to the war. However, with the STCU approving record amounts of funding in 2023 (\$34.1M) and the first four months of 2024 (\$33.2M), Mr. Nichol expects that the STCU's capital account will increase significantly for both the 2023 and 2024 financial statements. Mr. Nichol concluded his discussion of the financial statements by stating that given the recent significant increases in

funding, there is a chance that the STCU will need to request additional staff in procurement and finance (in addition to the 3 new positions approved in the 2024 AOB).

Ms. Hall asked when the STCU would have a sense of how many additional staff you think you might need to add. She asked if the STCU would inform the Parties before the October board? Or is that going to be more into 2025?

Mr. Bjelajac confirmed that the STCU would tell the Parties before the October Board. The STCU is not comfortable confirming the need now (May '24); however, it does look like staff will need to be added (one in procurement, possibly one in finance as well), but the STCU wants to wait until the summer months to see where we stand. Ms. Hall thanked Mr. Nichol for this presentation and for the candid discussion about the possible need for additional staff.

- ✓ Mr. Nichol then moved on the Auditor's management letter which had one minor point which was subsequently recently cleared by the STCU. Mr. Nichol explained that the STCU and auditors had a disagreement (it happens) on how to handle a very small receivable from a partner (the University of Birmingham) in the amount of €22,050. In the auditor's opinion, the STCU should show an impairment (decrease or eliminate the receivable – which is an asset to the STCU) in the STCU's financial statements. The STCU disagreed as the Center felt that the funds could still be collected (the ultimate funding did not come from the University of Birmingham, but from the European Commission – Horizon Europe). Thus, the auditor's raised this disagreement in the management letter. It came to turn out that, in this case, the STCU management was correct (it happens) as the STCU collected the entire amount in full in 2024 from the University of Birmingham.

Mr. Nichol concluded his presentation of the financial statements and asked if there were any questions or comments.

There being no additional questions or comments, the Board moved on to the next agenda item.

3.5 Approve 1 year Contract Extension of the STCU Senior DED

The Governing Board approved the one-year extension of the Sr. Deputy Executive Director for the period of January 1, 2025, to December 31, 2025.

3.6 Approve 1 year Contract Extension of the STCU ED

The Governing Board approved the one-year extension of the Executive Director for the period of July 1, 2024, to June 30, 2025.

3.7 Update on EU/US Fellowships

Mr. Lubiv thanked the Chairman and all our colleagues for the extension his term as Sr. DED. He mentioned how important it is to feel that support, especially during these very difficult days. He continued by briefing the Governing Board on the results of the numerous fellowships and initiatives the STCU is implementing to engage Ukrainian scientists during these difficult times. A summary of his presentation is as follows:

- ✓ Eurizon Remote Research Grants for Ukrainian Researchers (formerly CremlinPlus) – This program will provide temporary fellowships, with a duration of 6 or 12 months, consisting of individual research grants to teams of vulnerable researchers, working remotely from Ukraine, on research projects conducted in collaboration with partners from European Research Institutions (in all scientific domains). The initial budget for the program was €1.5M but just recently has been increased to €4.5M due to the large number of applications received. In April '23 an open call for proposals was initiated and when the call was closed a month later, the program had received an astounding 783 applications, with 730 determined as eligible. Mr.



Lubiv pointed out that in the end, sixty-five (65) proposals were selected, which included three hundred twenty-four (324) scientists.

Mr. Lubiv informed the Governing Board that since February 2024, STCU has signed and started thirty-five (35) projects. He concluded by stating that this initiative is fully under way.

- ✓ Countering Nuclear Energy Disinformation (CNED) Fellowship Program – Funded by USDOS/ISN/NDF, this program originally funded five (5) projects, involving six (6) Ukrainian scientific institutions, and engaged 37 (32 in the original five projects) Ukrainian nuclear experts. First five projects in the amount of \$100K were completed, and ISN/NDF provided an additional \$100K to extend the five projects which started on May 1, 2023, and finished in October '23. Mr. Lubiv reminded the Governing Board that the U.S. Party again extended these projects in early 2024 for a second time by providing an additional \$100K for these five projects. The projects are scheduled to end in June '24 but will more than likely be extended a 2-3 times more as the U.S. Party will move funds from other objectives to continue funding the disinformation projects.
- ✓ Virtual Scientist Engagement Fellowship Program for Vulnerable Ukrainian Scientists - Funded by USDOS/ISN/CTR, this program received forty-four (44) proposals in the Spring '23 and funded twenty-four (24) projects, involving sixteen (16) Ukrainian scientific institutions which all recently (Mar. '24), successfully completed.
- ✓ Displaced Scientist Engagement Fellowship and Institute Fellowships - Funded by USDOS/ISN/CTR, this program recently (Mar. '24) funded eighteen (18) fellowships, involving forty-three (43) Ukrainian scientists, in the amount of \$279,700. Furthermore, two (2) project agreements were signed in the framework of the institute fellowships in the amount of \$290K, which recently started as well. The hope is that additional institute fellowships will be approved and started in the next weeks.

Mr. Lubiv concluded his presentation by thanking Ms. Denlinger, Ms. Hall, Mr. Hood, and all from the U.S. Department of State, as well as his EU colleagues that closely worked with him on the programs presented. Mr. Meier asked if Energoatom is involved in any of the five (5) disinformation projects. Mr. Lubiv confirmed that there is currently a team of five scientists from Energoatom who are project #7110, entitled, “Counteraction to Acts of Information Aggression in the Field of Nuclear Energy in Order to Ensure Economic Security and Independence of the European System”. The project is devising a methodology to counteract disinformation in the field of nuclear energy. The project team promised that Energoatom will adopt the newly devised methodology, as well as work with other nuclear operators around the world to disseminate the information so that scientists will know how to deal with that in the future.

There being no additional questions or comments, the Board moved on to the next agenda item.

3.8 Discuss/Approve 59th Governing Board Schedule

The Governing Board tentatively agreed to conduct the 59th STCU Governing Board in hybrid format (if it is not possible to be physically conducted in Kyiv) in the first half (completion by 13:00 Brussels time) of Wednesday, October 9th, 2024, in Brussels, Belgium.

3.9 Finalize 58th GB Record of Decisions and Funding Sheets

The Governing Board approved the 58th Governing Board Record of Decisions and Funding Sheets as presented and instructed the Executive Director to start the signature process.

3.10 Any Other Business (AOB)

There was no other business raised by the meeting participants.

4.1 Closing Remarks (where possible, and for accuracy, most remarks are transcribed in their entirety)

Before offering closing remarks to the Parties, the Chair thanked all for the meeting. He wished everyone all the best, especially to our Ukrainians colleagues who are enduring unbelievable hardships. He extended his best wishes to our ISTC colleagues for their upcoming 30th birthday celebrations to be held in early June in Astana.

Mr. Maier then welcomed closing remarks from the U.S. Party. Ms. Hall made her closing remarks as follows: “The U.S. Party would like to again extend its deep appreciation to the Chairman, Executive Director, CFO, Sr. DED, and the entire STCU team. The U.S. Party wholeheartedly supports the extension of the ED and Sr. DED. The U.S. Party is incredibly grateful for all Mr. Lubiv is doing with regards to executing all of the U.S. Party’s fellowships. The U.S. Party appreciates the hard work that the entire Secretariat has done – it is very impressive. Furthermore, the U.S. Party knows that there is so much more to accomplish this year and going forward, and the STCU has our full support. I would also like to thank the other Parties (EU and UA) for their continued partnership. The U.S. Party looks forward to continuing its support for the STCU and our Ukrainian partners. Thank you.”

Mr. Maier then welcomed closing remarks from the E.U. Party. Mr. Popa made his closing remarks as follows: “Maria Rosa wants to extend her best regards to all the participants, and once again sends her apologies for not being able to attend today’s meeting. Of course, the EU also wants to thank our Chairman and Executive Director for running this meeting very, very efficiently. I also want to use this opportunity to thank the Ukrainian staff. What they’ve done is really heroic. We’ve seen that the number of activities and the budget went up dramatically, so the workload more than likely also increased dramatically. The fact that the team is still able to implement these activities despite the war conditions, is something truly remarkable. I was with Mr. Bjelajac last week in Prague (for the Information Sharing Initiative meeting – a meeting of Global Partnership donors specifically focused on Ukraine) and I heard a lot of positive feedback about this STCU’s activities, both from the donor side and also from the Ukrainian side. This is truly impressive. Thank you.”

Mr. Maier welcomed the closing remarks from the Ukrainian Party. Mr. Mozolevych stated, “The Ukrainian Party thanks all of you here today for your continued support of our research community. Thanks to the Secretariat for their hard work. Finally, thank you for the many different fellowship programs and other ideas for support of our Ukrainian researchers. It is my dream that the entire STCU team returns to Kyiv, and we will have either the 59th or the 60th Governing Board meeting in Kyiv, possibly in the end of 2024 or 2025. Thank you.”

Before turning to the Executive Director for his closing remarks, the Chairman asked if there were any more closing remarks from those in attendance. Chairman Lehman offered the following remarks, “I want to thank the STCU Chairman for congratulating the ISTC on its 30th anniversary. Mr. Maier may be your leader, but he’s clearly a member of the ISTC family about whom we feel very strongly. We are celebrating our 30th anniversary, but that means that STCU’s 30th anniversary is right around the corner. The STCU was created to be separate from the ISTC, and yet over the years, we’ve grown very, very close and worked together very well. I just want to compliment all of you and your Ukrainian hosts for how you’ve been able to transform the organization given all the dramatic changes over the years.” Mr. Meier, on behalf of the STCU, thanked ISTC Chairman Lehman for his kind remarks.

Mr. Maier turned to the Executive Director for his closing remarks.

The Executive Director’s closing remarks were as follows: “Thank you, Chairman Meier. Thank you ISTC Chairman Lehman for your kind words. I agree wholeheartedly that the ISTC, since its move from Moscow, has become much closer to the STCU. I think it’s interesting that when you were in Moscow, we almost grew organically separate. Now we work very closely together. The STCU is thankful for this close relationship – it’s a big help. I look forward to seeing most of you in just over two weeks in Astana. Thanks to all of you for a very productive meeting, and we’ll be in touch over the next weeks in preparation for the 59th STCU Governing Board Meeting. Thank you.”

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



Executive Director Report

(Reporting Period: May 1st – September 20th, 2024)

Party Issues

Impacts of the invasion of Ukraine by the Russian Federation

Personnel (Current Location)

Kyiv or Kyiv Region	Outside of UA*	Total**
20	6	26

*Canada, UK, Poland, Spain, Germany, and France

**Not including Three Regional Officers in (GE, MO, and AZ).
STCU filled three (3) new positions approved at the 57th GB

Physical Resources (Office, Servers, etc.)

As of the writing of this report, the STCU office located at 7a Metalistiv Street is undamaged by war (although some repairs due to plumbing issues were needed) and has power and other utilities via scheduled blackouts. Over the summer, the STCU installed UPS' and batteries in the Kyiv office in preparation for what could be a very challenging fall/winter period. The STCU team members also have batteries and UPS' at home, so barring trouble with mobile phone towers and internet providers, STCU is cautiously optimistic that it is prepared.

As of the date of this report, the STCU is still operating at 100% (depending upon power infrastructure as highlighted above), with only difficulties in travel from UA (as described below).

However, Kharkiv is still experiencing much more severe blackouts and STCU needs to monitor the situation in Kharkiv very closely, as well as any ongoing difficulties with utilities in Kyiv.

What STCU Operations are currently difficult to perform

All project operations in general can be performed with the following exception:

The provision of travel services for Ukrainians inside Ukraine to travel internationally (no airports, etc.) is very difficult, and several Ukrainians are choosing not to travel. Men under 60 years old cannot leave Ukraine (without special permission) as per the conditions of martial law currently in place in Ukraine. On May 18th a new mobilization law went into effect in Ukraine, and it is expected that traveling outside of Ukraine will become even more stringent for military aged men. Women can leave Ukraine; however, travel from Kyiv for example, is very difficult. A person traveling from Kyiv needs to take a train/bus from Kyiv to Poland (Przemyśl, Chelm, or Warsaw) and then bus to Warsaw or Krakow airport. As mentioned above, we do have some staff already located outside of Ukraine, so if we need STCU staff to support an event outside of Ukraine (i.e. P088 field exercise in Moldova in late Sept. '24), then we can consider



sending a staff member already located outside of Ukraine. Travel times to Western European cities are quite long with travel to Warsaw taking around 18 hours and travel to Brussels around 24 – 36 hours depending upon connections and if travelers stop to overnight on their way.

All other STCU operations with some delays and minor exceptions can be performed currently.

Status of Projects

Overall

Overwhelmingly, most partners (both GP and remaining NGP) continue to avoid the suspension/termination of their projects. Thus, since the Russian invasion in February 2022, the only negative impact to projects under STCU management were two terminated projects (both in Kharkiv). As of today, there are no suspended projects in Ukraine (below there is a more in-depth discussion of a recently suspended project in Georgia). Most partners have expressed to the STCU their desire to continue their projects (where possible) as they understand the financing helps the scientific teams (and thus helps Ukraine) during this very difficult time. STCU continues to be concerned about projects located in Kharkiv (as of today it continues to suffer extensive missile and suicide drone strikes from the Russian Federation). As of the printing of this report, the STCU has seventy (70) active projects and one (1) suspended project broken down as follows:

Breakdown of Active and Suspended Projects by Location

Kyiv	Kharkiv*	Other UA**	GE, AZ, MO***	Regional	Total
26	25	15	1 (1 susp.)	3	71

* As a result of invasion two projects were terminated in Kharkiv.

**Chornobyl (6), Kamianske (1), Sumy (1), Lviv (5), Odessa (1), and Yuzhnoukrainsk (1)

***Tbilisi (2 = w/ one suspended)

Breakdown of Active Projects by Type of Partner

Government	Non-Government*	Total
61	10	71

*Kyiv (4), Kharkiv (4), Lviv (1), and Tbilisi (1)

DOS/WMDT Suspends \$1.5M Chemical Security project in Georgia

On August 1, 2024, the STCU received the email below from its partner the Office of Weapons of Mass Destruction Terrorism of the U.S. Department of State, in relation to its \$1.5M project (#P773) in Georgia entitled, “Institutional capacity building for sound management of chemicals in Georgia”.

“On May 23, 2023, the Secretary of State announced a comprehensive review of bilateral cooperation between the United States and Georgia. As part of this review, the Department of State has decided to



pause delivery of and engagement related to development assistance that benefits the government of Georgia.

This pause is in response to undemocratic actions, disinformation, and rhetorical attacks against the United States and European partners by the government of Georgia.

Our commitment to the people of Georgia and their Euro-Atlantic aspirations remains steadfast, but we cannot continue to provide assistance programs as we have in the past to a government that does not support the aspirations of its citizens. We hope the government corrects its current trajectory so we can resume our support. We will look to the government's actions as we consider next steps. For now, we ask that you kindly pause all ongoing support to Georgia on behalf of WMDT. We will discuss internally how our office would like to proceed with the funding currently allocated to this project and keep you apprised.

We will email our Georgian partners and inform them of the same.”

As instructed, the STCU suspended project #P773 indefinitely as of September 20, 2024– this is the sole project currently suspended at the STCU.

Tax and Duty-Free Accreditation Issue with Canadian Project in ChEZ

As reported at the 55th Governing Board Meeting, STCU signed a €3.8M project with EC's DG-INTPA (Instrument for Nuclear Safety Cooperation) to implement the second phase of a project for the “Modernization of Dosimetric Control Systems in the Exclusion Zone and Environmental (Radiation) Monitoring at the «Vektor» Complex and the «Buriakivka» Disposal Facility”. Phase 1 developed and obtained regulatory approval of the required design documentation, as well as technical specifications for procurement of the required systems and equipment to upgrading (i) environmental radiation monitoring of the Vektor Complex and the Buriakivka near-surface disposal facility and (ii) dosimetric control within the Chornobyl Exclusion Zone (ChEZ). Phase 2, implemented by the STCU, will involve procurement of the defined systems and supplementary equipment, their installation, commissioning, and training of staff. Phase 2 of the project commenced in April 2023, with expected completion in 2025.

The EC's financial commitment of €3.8M mentioned above, represented only 40% of the required funding for the project, the remainder was to be financed by Ukraine. However, since the start of the Russian invasion and occupation of the ChEZ in February and March 2022, there is an increased urgency for implementing the entire project, such that both nuclear and radiation safety and security can be optimized in this area. As a result of the IAEA meetings in Vienna in Sep. '22 and GP Meetings in Berlin in Oct. '22, Norway's DSA, the UK's GNSP, Canada's DFAIT, and the U.S.'s DOS/ISN/WMDT have all come forward and expressed an interest in funding the shortfall in this important project. As of today, DSA put forward €2.5M and WMDT and GNSP signed an agreement for \$2.4M (\$1.8M from WMDT and \$600K from GNSP) with STCU in early June '23 towards the project.

In addition, in late October '23 the Government of Canada signed a project worth 4.3M CAD (equal to about €3.0M) with the STCU to increase the security of three checkpoints in the ChEZ. Unfortunately,



as part of the normal process of obtaining tax and duty-free status for the Government of Canada's project, the STCU was informed by the Cabinet of Ministers that they could not register the project as tax and duty-free because the Government of Canada did not have the needed bi-lateral agreement in place with the Government of Ukraine. The STCU is currently working with DFAIT of Canada, the Embassy of Canada in Ukraine, and the Cabinet of Ministers to resolve the situation. Unfortunately, the project will move forward until this issue is resolved.

STCU starts eight (8) projects with the U.S. National Academy of Sciences (NAS)

On February 1, 2024, the STCU and the U.S. NAS formally signed an agreement to support the "Scientists and Engineers in Exile or Displaced (SEED)" project. The agreement represents another international effort to provide funding and resources to Ukrainian scientists and engineers who have been displaced due to ongoing challenges in the region.

Under the agreement, which runs from December 1, 2023, to November 30, 2026, the STCU will administer just over \$1 million in subawards to key research projects selected by NAS. The SEED initiative will foster collaboration among international and Ukrainian researchers, covering critical areas such as biosensing, nano-structuring, quantum technologies, and sustainable infrastructure. The first (8) eight projects (#s 7111, 7112, 7113, 7114, 7115, 7117, 7118, and 7120) in the amount of \$652,165 under this initiative are included in the funding sheet for approval at this 59th STCU Governing Board.

The STCU is also in discussions with NAS to possibly add additional funding to this initiative.

STCU signs new \$2M project with U.S. Department of State's Office of Weapons of Mass Destruction Terrorism (WMDT)

On August 16, 2024, the STCU signed a new project with WMDT aimed at enhancing the safety and security of Ukraine's nuclear and radiological facilities. The project, titled "Securing Nuclear and Radiological Facilities in Ukraine," is set to commence on September 1, 2024, with a two-year timeline. The project has two distinct parts: A) the purchase of one Heavy-Tonnage & one Medium-Tonnage truck for use by Radon for transporting radioactive materials and B) the purchase of two hundred thirty-nine (239) portable radiation scanners & forty (40) portable industrial chemical detectors for the State Emergency Service of Ukraine (SESU).

The provision of portable radiation scanners and portable chemical detectors will enhance SESU's capacity to detect and manage hazardous materials in the aftermath of the ongoing conflict. The equipment will bolster the nation's efforts in maintaining public safety and mitigating environmental risks. The two trucks will strengthen the ability of Radon to provide safe transport of radioactive sources and builds upon the years of work that WMDT already has done in securing the transport of radioactive sources in Ukraine.

STCU Continues to Train and Deploy Mine Sniffing Dogs

In mid-June 2022, the EU contacted the STCU to start a supplemental budget activity to purchase and train dogs that can detect mines with their sense of smell. The effort is a combined effort of DG FPI and experts from DG HOME. The STCU signed contracts for the purchase of nine dogs in Sept/Oct '22 that underwent training by European trainers and eventually were introduced to their Ukrainian handlers the last two weeks of February 2023. On March 3rd, 2023, a formal handover ceremony was conducted (attended by the STCU ED and Sorin Popa) where the nine dogs were formally handed over to their Ukrainian handlers. The very same day the dogs and their new Ukrainian handlers departed Southern Poland for Ukraine to start work.

Given the success of the first batch of nine dogs, the EU's Service for Foreign Policy Instruments (FPI) requested that the STCU again work with DG HOME to procure nine (9) additional dogs that were trained and handed over to the Ukrainian authorities at a second ceremony in Poland which occurred on November 9, 2023.

Finally, FPI authorized STCU to work with DG Home to procure a third batch of twelve dogs which were handed over to the Ukrainian authorities at a handover ceremony in Nowy Sacz this past June 14th, 2024. As of the publishing this report, the program is temporarily on hold.

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

Phase III of this project was signed on September 27, 2021 (contribution agreement #INSC/2021/427-030) with the EU/DGINTPA which provides €5.7M of funding for continued implementation of emergency measures at the PCHP. Phase III of the project is scheduled for forty-seven (47) months, beginning at the end of Sept. 2021 and running until the end of August 2025.

Intervention by National Police

On June 24, 2024, the STCU received a Kyiv Court Decision which requires the STCU to provide documents in relation to an investigation opened by the National Police of Ukraine in relation to the following matter (cut right from the court decision):

As indicated by the investigator, it was established that in the period from 01.01.2017 to the present, officials of SE "BARRIER" organized an illegal scheme for misappropriation of funds allocated by the European Union by overestimating the cost of design works, providing services, procurement of goods and construction of a facility located at the former PChP for safe temporary and/or long-term storage of radioactively contaminated materials within the framework of the technical assistance project "Rehabilitation of the former PChP in Ukraine", as a result of which particularly large losses were caused.



The STCU is in contact with the court and will comply with the court's request to again provide documentation in relation to the PChP project. As the Governing Board might recall, there was a prior investigation opened in the Dnipropetrovsk Region in relation to this project back in mid-2021, which requested the STCU to provide documents (we did) in relation to an alleged crime involving Barrier SE. The STCU was never again contacted about that case. However, it appears now that a Kyiv court believes there to be enough evidence provided by the National Police to open a different investigation into Barrier SE.

The court decision required the STCU to provide the National Police with copies of documents related to this matter. In the interests of transparency and to show cooperation with any investigation of third parties, the STCU prepared relevant requested documents and are awaiting further contact by the National Police to coordinate transfer of the documents. As of the printing of this report, the STCU is still awaiting contact by the National Police.

The STCU is currently working with both the European Commission (DG-INTPA) and the European Delegation in Ukraine to monitor the ongoing investigation. As of today, the work at the PChP site has not been disrupted; however, contractors working on the site have reported that they also were asked to provide documents to the National Police.

STCU signs two very large projects with DG-INTPA for work in ChEZ

In the beginning of July '24, the STCU signed two projects worth a combined €14M with DG-INTPA (financed by the EC's Instrument for Nuclear Safety and Cooperation):

- €10M project focused on restoring and enhancing radioactive waste management infrastructure in Ukraine. The project is crucial for addressing the safe and secure management of radioactive materials, especially in the context of ongoing challenges in the region. The project will span five years and will provide critical financial support to modernize and rehabilitate key radioactive waste management facilities. The project will procure specialized equipment, enhance monitoring systems, and ensure that Ukraine's radioactive waste management practices adhere to international safety standards.
- €4M project will work to restore safety features that were compromised by the invasion of the Russian Federation in February/March 2022, particularly focusing on nuclear and radiological safety. The project will provide much-needed equipment, expertise, and support to address vulnerabilities in Ukraine's safety mechanisms.

Both projects are included in the funding sheet for approval at this the 59th STCU Governing Board.



30-Year Anniversary of STCU

2025 (one year after the ISTC) marks the 30-year anniversary of the start of STCU activities. Given the ongoing war, the STCU will mark the occasion in a more subdued manner than in previous years with the following planned activities:

1. **Social Media Posts:** Mixed in with our ongoing social media campaign, the STCU will create a series of posts that reflect on the organization's journey, highlighting key achievements, stories of resilience, and contributions to the community over the past 30 years.
2. **Special Recognition for Staff and Partners:** In a discrete manner, the STCU will celebrate the contributions (i.e. special awards, personal letters of thanks, etc.) of its employees and partners who contributed to the Center's success over the years.

The STCU will monitor the situation in Ukraine to determine if circumstances will allow us to conduct a more robust celebration in line with what we have done in the past.

Current Secretariat Activities

Nuances of Newly Signed Projects since the 58th STCU Governing Board

- 1). Funding Continues to be Highly Concentrated – Four signed projects (9707, 9708, P782, and P818) represent a very large percentage of the funding (in this case 84.5%). This continues a recent trend where project funding is highly concentrated.
- 2). New Partner Project Funding Almost Exclusively Government –The security situation looks to have impacted the overall attractiveness of investing in science in Ukraine in the eyes of Non-Government Partners.

Trends in Projects

2024 got off to a very good start when the 58th GB approved via written procedure in May '24, ten (10) new partner projects totaling roughly \$29.1M, ten (10) new partner project extensions totaling roughly \$4.0M, as well as five (5) regular projects and extensions totaling roughly \$100K. The total for all new partner projects, partner project extensions, and regular funded projects and extensions approved at the 58th GB equaled ~\$33.2M.

The 59th GB is scheduled to approve seven (7) new partner projects totaling roughly \$2.7M, ten (10) new partner project extensions totaling roughly \$1.5M, as well as 10 regular projects totaling roughly \$16.5M for a total funding amount at this 59th Governing Board of \$20.7M.

Couple the two 2024 Governing Board Funding Sheets together (\$33.2M plus \$20.7M) and the funding for 2024 will total roughly \$53.9M. This amount of funding breaks the record amount of funding from last year (2023 = \$34.1M) and now is the new all-time high for funding in one year. Furthermore, the 2024 funding now brings cumulative funding at the STCU to approximately \$454M. To put the



acceleration of funding over the last two years into perspective, the STCU received \$88M ('23 funding = \$34.1M and '24 funding = \$53.9M) in the last two years, which is equal to ~19.3% (\$88M/\$454M) of all STCU funding in two out of the 29 years of STCU's existence.

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 135 active projects in 2017 to 71 active projects in Sept. '24). The STCU expects to see the number of active projects remain at approximately 60 – 70 where it should stabilize going forward.

	2017	2018	2019	2020	2021	2022	2023	Sept. 2024
Avg # of Active Projects	135	135	110	80	75	70	58	71
Board Approved Project Funding (USD)	\$15.6M	\$13.5M	\$12.2M	\$4.8M	\$24.5M	\$8.1M	\$34.1M	\$53.9M*

* \$53.9M is the amount of funding approved for the period of January 1 – Sep. 20th, 2024.

New Funding on the horizon

As of the printing of this report the STCU is aware of the following amounts that are scheduled to be committed in the course of the next year:

- \$11.7M from DOE/NNSA/GMS (invoiced in Sep. '24) for new nuclear security projects;
- €14M-€16M from INTPA for the 2024 contribution agreement(s)

The aforementioned two commitments represent by themselves represent approximately \$28.5M in new funding slated for 2025.

Important Visitors/Meetings/Events

STCU attends Information Sharing Initiative for CBRN Safety & Security in Prague, Czechia (May 13th – 17th, 2024). The STCU Executive Director attended the 10th forum which provides a venue for the exchange of information on technical assistance to Ukraine in the areas of concern to the Global Partnership CBRN Sub-Working Groups.

Attendance of ISTC GB Meeting and 30th Anniversary Celebration (June 4th to 6th, Astana, Kazakhstan). The STCU ED attended the ISTC Governing Board meeting and 30th Anniversary Celebration where he met with Party representatives on the sidelines to discuss issues concerning the STCU, as well as issues facing both Centers.

Curtis "B.J." Bjelajac
Executive Director



STCU Governing Board

Financial Papers

Meeting 9th October 2024

Contents

- 1 Financial Statements for the year ended 31st December 2023
- 2 Actual to Budget 2024
- 3 2025 Budget Request AOB & SB
- 4 STCU Organisation Chart as proposed

1 Financial Statements for the year ended 31st December 2023

As for recent years the financial statements have been delayed in preparation and in the audit, this is not as long a delay as last year. Usually, the financial statements are presented at the spring Governing Board meeting of the following year.

Recently they have been presented later the 2022 financial statements were presented to the Spring 2024 GB meeting (should be spring 2023).

The reasons for the late submission:

- Effect of the war
- Power cuts
- Auditors work remotely, the auditor in charge is currently living and working in Berlin.

It is our intention to present the Audited Financial Statements for the year ended 31st December 2023 to be presented at 59th Governing Board Meeting. At the time of preparation of these Board Papers the financial statements have been prepared the auditors have carried out their audit procedures and the audit file is currently undergoing quality control review.

Therefore, we have not included the Financial Statements in these Board Papers, however should the financial statement audit be completed in time we will present the Financial Statements to the Board.

If the Financial Statements are not ready we will take an advance look at the highlight figures and present the Statements at the next Board Meeting.

1.1 Advance look

Highlights in advance of full presentation

- | | |
|---|--------------------|
| • Funding parties' and partners' capital at the start of 2024 | \$ 94m |
| • Projects implemented | \$ 8.4m |
| • SBs implemented | \$ 2.0m |
| • AOB costs | \$ 835,129 |
| • AOB to projects | 9.9% (2022 – 9.0%) |
| • Total overheads to total workload | 11.3% (2022 12.8%) |

1.2 Change to Financial Statement presentation

To better represent STCU's operations and to present a clearer picture of the respective contributions of the Funding Parties changes have been made in the presentation of the statement or revenues and expenditures.

These are shown in the following extracts.

1.2.1 Supplementary Budget expenditure

In previous years the Supplementary Budget expenditure was shown as one combined figure. This figure included expenditures on activities for the funding parties often related to projects but also stand-alone initiatives. Included were items such as seminars and workshops, support to travellers, and in recent years the purchase and training of explosive detecting dogs an action vital to the safe future of Ukraine. Also included in the SB expenditure were overhead expenses, such as remuneration of management, payment to expert reviewers.

To better reflect the operations of STCU and to enable clearer benchmarking these expenses are now shown separately as activities and overheads.

DRAFT

STATEMENT OF REVENUES AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 USD	2022 USD
Revenues			
Project Revenue		8,435,490	8,591,808
Administrative Revenue			
- Administrative Operating Budget	2	1,125,073	935,810
- Supplemental Budget		2,395,022	775,800
Partner Fees		107,631	149,502
Finance Income		1,415,475	84,549
		13,478,691	10,537,469
Expenditure			
Project Expenditure	1	8,435,490	8,591,808
Supplemental Budget - Activities		2,041,219	400,458
		10,476,709	8,992,266
Administrative Expenditure			
- Administrative Operating Budget	3	835,129	774,853
- Supplemental Budget - Overhead	4	353,803	375,342
		11,665,641	10,142,461
Net Surplus	5	1,813,050	395,008

DRAFT

1.2.1 Administrative revenue / Partner fees

In recent years the US party and US Government partners have paid a project fee on implemented projects in place of a variable portion as a direct contribution. These fees were previously shown as

Partner Fees. From 2023 the US Party and US Government Partner fees will be shown as administrative revenue as this better demonstrates the respective contributions of the two Funding Parties to the STCU's overheads.

DRAFT

NOTES TO THE FINANCIAL STATEMENTS

2. Administrative Revenue

	2023		
	United States USD	European Union USD	Total USD
Fixed Portion	82,750	82,750	165,500
Variable Portion	305,517	654,056	959,573
	388,267	736,806	1,125,073
	2022		
	United States USD	European Union USD	Total USD
Fixed Portion	76,500	76,500	153,000
Variable Portion	176,818	605,992	782,810
	253,318	682,492	935,810

DRAFT

2 Actual to Budget 2024

2.1 Actual to Budget 2024 - Headline figures

• Budgeted AOB for 2024	\$ 958,000
• Actual expenditure	\$ 1,011,000
• Utilisation percentage	105%
• Budget does not include exchange losses	\$ 110,000
• Without exchange losses AOB utilisation is	94%

Note: In prior years STCU has not "budgeted" exchange losses - forecasting might be a better word. This is due to the complexity in forecasting such losses with the number of variables that would need to be included in the calculation. From 2025 a forecast of exchange losses will be included in the AOB budget figure presented to the GB (see 3.4 below).

2.2 Surplus income and expenditure

- Interest earned for 2024 \$ 2,368,000
 - Interest received
 - Interest to be received on deposits made at 31 August 2024
 - Further interest will be earned on deposits to be made September to December
- Interest will be credited to Parties' UCC
- US government partners to be treated as US Party for interest sharing calculation

Following discussions between the funding parties, agreement was reached to change the treatment of interest on US Government Partners to bring it into line with the treatment of US Government Partners in their contribution to the operating costs of the STCU.

2.3 Budget overspend

For 2024 we anticipate that STCU will be within the budget taken overall with a utilisation of 94%. The board will note that when exchange losses (not previously included in the budget) are included the utilisation is 110%. In previous years the underspent budget was greater than the exchange losses and so STCU was within budget each year.

Whilst within the overall budget there are individual budget lines where there will be an overspend that requires reporting to the Governing Board.

We will or anticipate based on the most recent forecasts that we will overspend on the following budget lines by more than 10% and are required to report this to the Governing Board 10%

2.3.1 Anticipated overspends

Based on the most recent forecasts

Medical insurance

• Budget	\$ 51,000;	actual	\$ 60,500	19%
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Bank charges

• Budget	\$ 42,000	actual	\$ 47,200	12%
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Medical insurance premiums have been increased across the board by all insurance companies as born out by the results of the tender for medical insurance conducted during the year. This is due to underlying increased medical treatment costs caused by inflation and partly because of the war in Ukraine.

Added to this STCU has an aging workforce and insurance premiums increase with age as the risk of the individual falling ill is seen by the insurers to increase with age. One downside to having a stable and long serving workforce is that we are not being revived with new blood and do not have a proportion of your people bringing down the average insurance premium.

Bank charges are predominately determined by the volume of transactions, as STCU does not sue complicated banking products the charges are almost exclusively on transactions. Some charges are based on the size of the transaction, but most are a fixed amount per transaction. In recent years the change in projects implemented by STCU has reduced bank charges. A half a million-dollar project paying grants to scientists will involve large numbers of payments and high bank charges, whereas a project for half a million dollars to purchase a mass spectrometer may involve only two payments and considerably lower bank charges.

In the last two years project numbers have increased and we have implemented a number of fellowship projects with large numbers of small payments leading to higher bank charges.

2.3.2 Incurred overspends

Expense lines where we have already overspent the budget by more than 10% as at 31 August 2024.

Facility Improvements

• Budget	\$ 2,000	actual	\$ 29,000
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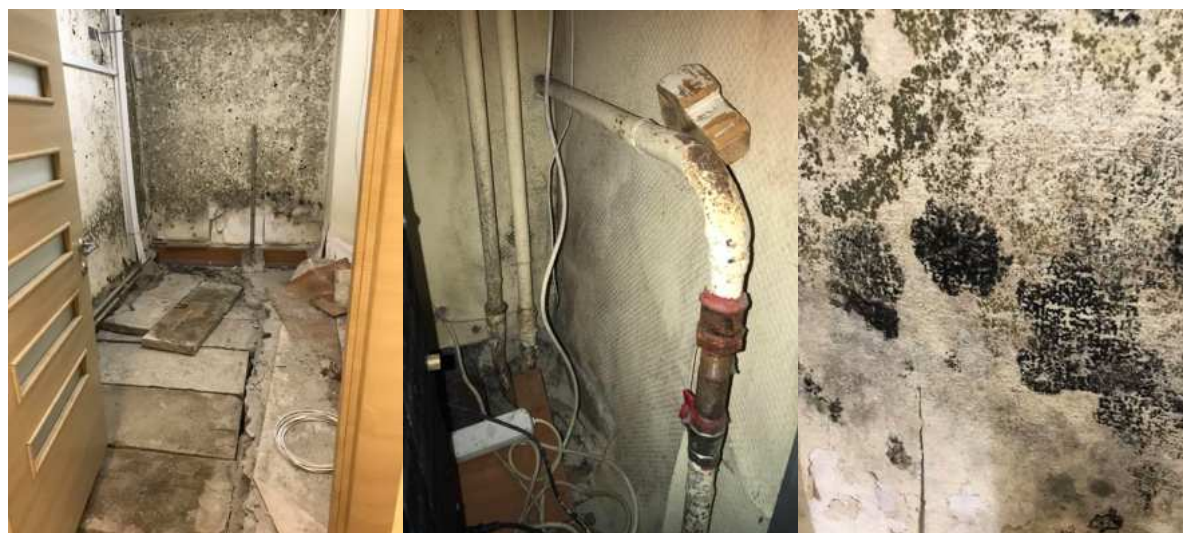
The owners (Kyiv Polytechnic Institute) of the building in which STCU's offices are hosted carried out some repairs work to the plumbing and drains of the building. This work involved the digging up of the ground (1st floor) of STCU's offices and some excavations outside right next to the wall of our offices. When this work was completed the excavations both outside and more importantly inside were not completely closed and sealed watertight. We were informed that the repairs would be completed and given a timescale.

The promised work was not completed and the state of the offices began to deteriorate drastically. We were again informed that this would be put right. This was not done.

Realising that KPI did not have the resources for the work and because the state of the offices had reached a situation which was detrimental to the health of the staff and had a very bad impression

on any outsiders visiting STCU's premises urgent works were undertaken. Added to this a pipe burst flooding parts of the offices and a ceiling collapsed.

Scenes inside the STCU offices



Whilst these are significant repairs, we should note that when we compare them to other damage done in Ukraine, they are insignificant.

Repairs to the building are not normally for STCU's account and so we did not budget for these expenses. Our budget contains only a small amount (\$ 2,000) for improvements to the building. Therefore, we have a large overspend of the budget.

2.4 Actual to Budget 2024 - Detailed comparison table

Description	Budget	Actual	Year	Percentage
	2024	31/07/2024	Forecast	utilisation
Administrative Operating Expenses	\$	\$	\$	\$
Non-Recurring Expenses				
Facility Improvements	2,000.00	202.45	29,202.45	1460%
Office Equipment	2,000.00	587.58	1,007.28	50%
Computer Hardware	9,000.00	304.05	521.23	6%
Computer Software	25,000.00	11,726.60	20,102.74	80%
Subtotal Non-Recurring Expenses	38,000.00	12,820.68	50,833.70	134%
Recurring Expenses				
Personnel	620,000.00	305,114.74	665,644.98	107%
Local Grant Payments	526,000.00	268,500.00	562,409.00	107%
Staff Education & Training	23,000.00	745.00	22,745.00	99%
Staff Education & Training - ED	6,000.00	0.00	6,000.00	100%
Staff Education & Training - CFO	13,000.00	0.00	13,000.00	100%

Staff Education & Training - DED UA	4,000.00	745.00	3,745.00	94%
Employee Morale & Welfare	20,000.00	580.74	19,995.55	100%
Medical Plan	51,000.00	35,289.00	60,495.43	119%
Travel	52,000.00	12,123.89	32,783.81	63%
International Travel	23,000.00	7,047.84	12,082.01	53%
Travel within the CIS	9,000.00	0.00	0.00	0%
Travel within the CIS - Monitoring	1,000.00	0.00	0.00	0%
Travel within the CIS - ED	8,000.00	0.00	0.00	0%
Local Travel	20,000.00	5,076.05	20,701.80	104%
Office Operations	115,500.00	39,603.72	76,892.09	67%
Representation	1,000.00	58.55	100.37	10%
Postage & Delivery	2,000.00	145.31	249.10	12%
Customs Facilitations	500	0.00	0.00	0%
General Office Supplies	4,000.00	868.60	3,489.03	87%
Office Equipment Repair & Maintenance	2,000.00	686.15	1,176.26	59%
Public Affairs	36,000.00	6,500.00	11,142.86	31%
Printing & Reproduction	2,000.00	238.98	409.68	20%
Telecommunications Services	12,000.00	1,868.73	8,203.54	68%
Business Meetings	3,000.00	0.00	0.00	0%
Subscriptions & Publications	2,000.00	40.73	69.82	3%
Building Supplies	4,000.00	460.39	2,789.24	70%
Insurance	5,000.00	1,221.90	2,094.69	42%
Bank Fees - Offshore	27,000.00	13,869.76	23,776.73	88%
Bank Fees - Onshore	15,000.00	13,644.62	23,390.78	156%
Branch Offices	29,000.00	3,775.59	24,472.44	84%
Branch Offices - Baku	6,000.00	1,983.22	3,399.81	57%
Branch Offices - Chisinau	5,000.00	1,792.37	3,072.63	61%
Branch Offices - Tbilisi	18,000.00	0.00	18,000.00	100%
Contracted Services	73,500.00	8,137.40	41,549.83	57%
Legal Services	2,000.00	49.33	84.57	4%
Accounting & Auditing	25,500.00	0.00	25,500.00	100%
Other Professional Services	46,000.00	8,088.07	15,965.26	35%
Subtotal Recurring Costs	890,000.00	368,755.34	841,343.15	95%
Contingency - Recurring	30,000.00	7,408.56	12,700.39	42%
Total Administrative Expenses	958,000.00	388,984.58	904,877.24	94%
Exchange Gains Losses Realized		120,797.92	135,120.47	
Exchange Gains/Losses Unrealized		-25,120.47	-25,120.47	
Bad Debt Expense		-3,669.41	-3,669.41	
Total Bad debts		92,008.04	106,330.59	

Grand Total	958,000.00	480,992.62	1,011,207.83	106%
3 2025 Budget Request AOB & SB				

3.1 Calculation of anticipated workload

The starting point for the STCU budget is the anticipated workload for the coming year due to the Funding Parties response to the crises in Ukraine the new projects signed by STCU has increased dramatically in 2023 and 2024. These projects now need to be implemented and so the workload for 2025 (and the subsequent years) will be greater than it has ever been in STCU’s 30 year history.

To calculate the anticipated workload for the next year we need to roll forward the DCC Projects balance from the beginning of 2024 to the end of the year / beginning of 2025. This we can perform using the projects signed (as presented to this and the 58th GB meetings) and the most recent estimate for the project expenditure based on expenditure to date and out forecast for the final months of the year.

Note: the calculation does not consider any project that may be signed between the preparation of the budget (September) and the end of the year. Therefore, the figure calculated is a minimum.

				\$m
DCC Projects at 31/12/23				52
Project expenditure estimated				(17)
Projects signed				53
DCC Projects at 31/12/24				88
Assumption that				
Average number of years for a project is:	2	3	4	
	\$m	\$m	\$m	
Anticipated project expenditure in 2025	44.3	29.5	22.1	
Anticipated SB in 2025 <i>based on average 2021 to 2023</i>	1.0	1.0	1.0	
Anticipated workload	45.3	30.5	23.1	

For the 2025 we are basing our budget on the lowest of these figures as most of the projects have a four-year implementation period. on \$ 23 million.

As well as an objective view based on this forecast of workload, a subjective assessment needs to be made of the work involved:

- Research projects;
- Infrastructure projects;
- Events (seminars, workshops, etc).

Each of these consume different quantities of staff time and different levels of resources.

Having established the amount work that we anticipate the STCU team will perform in 2025, we have built our budget to include the resources required. Additional staff will be needed to enable us to continue to implement projects with the same levels of quality adding value to our funding parties and partners. This will increase staff costs as we take on more staff and will increase other costs related to staff numbers such as medical insurance. We have already seen that there are some areas where expenses are increasing (i.e. medical insurance, etc.) and this must be budgeted for. Other areas of increased expenditure will be a result of the increased workload (e.g. bank charges).

Staff costs have been increased to ensure that we retain the quality STCU team that has generated the impressive results in recent years especially in the difficult circumstances of first COVID and then the war in Ukraine. Increased salary costs are discussed further in 3.5 below.

3.2 AOB and SB overheads as budgeted for 2025 are:

The budgeting process described in 3.1 above has resulted in us drawing up a budget as summarised below and in detail in 3.6 below.

Budgeted AOB	1,221,000
Budgeted SB (service contracts)	400,000
	1,621,000

The budget represents an increase on prior years, but this must be viewed in relation to the increased workloads, as well as the difficult conditions in Ukraine where most of our work is concentrated and most of our team live and work. It also must be viewed from the perspective of our efficiency and effectiveness in implementing the Funding Parties actions (our *raison d'être*) as measured by the benchmarks set in the past. As has been discussed in previous years STCU is well ahead of its competitors in efficiency. In the next section we look at the proposed budget in comparison with the accepted benchmarks.

3.3 Benchmarking of costs to actions

Based on these budgeted overheads and when compared with the anticipated workloads (see above) we can compare the costs to project activities to be implemented as follows:

	\$m	\$m	\$m
Anticipated project expenditure in 2024	44.3	29.5	22.1
Anticipated SB in 2024	1.0	1.0	1.0
<i>based on average 2021 to 2023</i>			
Anticipated workload	45.3	30.5	23.1
AOB to projects %	2.8%	4.1%	5.5%
Total overhead to total workload %	3.6%	5.3%	7.0%

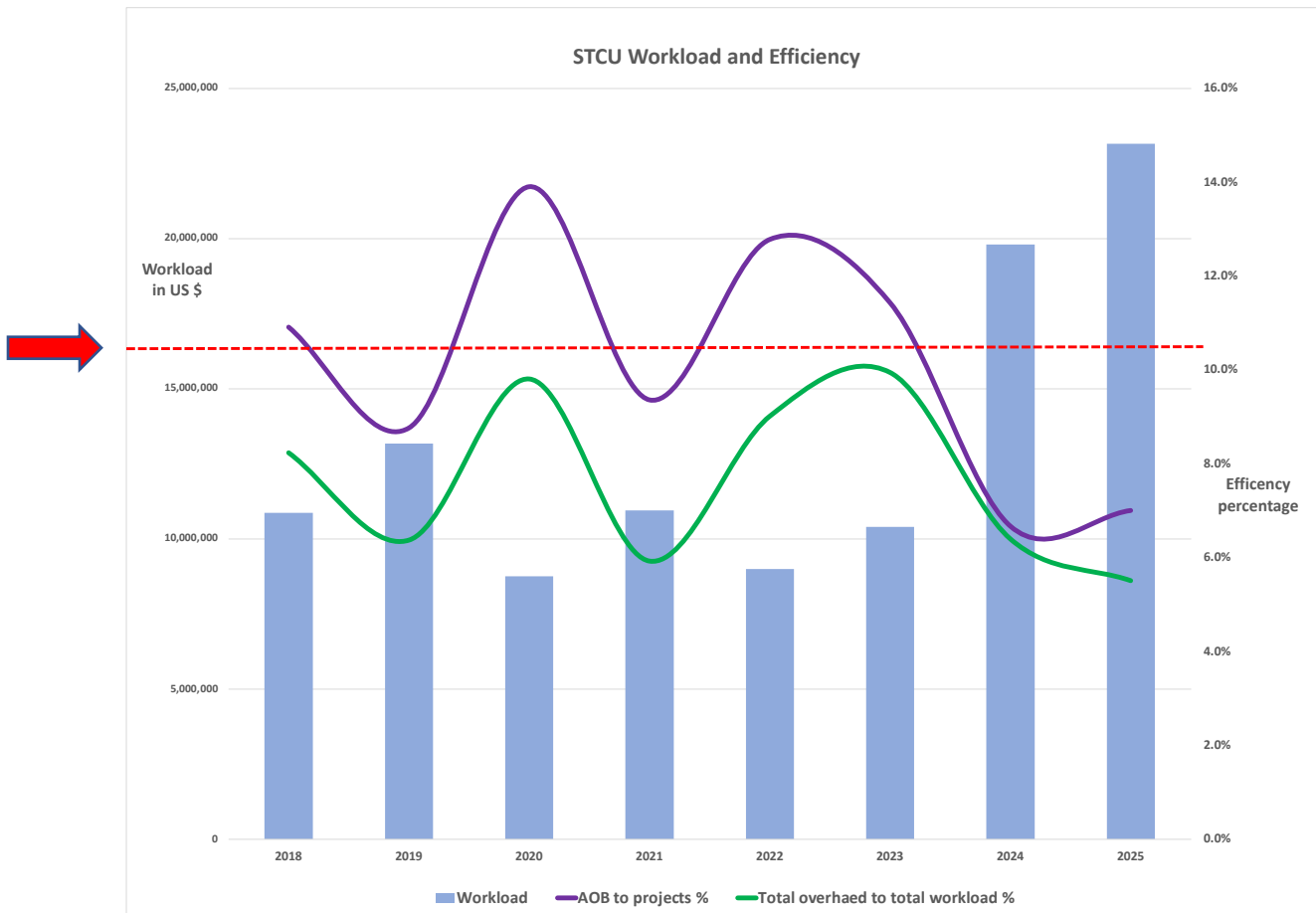
The benchmark that was set in the past is 10% for the AOB to projects ratio, no benchmark is set for the total overhead to total workload however this will always be higher.

With the workload anticipated even at the lowest end of the scale we will be well within the 10% benchmark on costs in 2025 as budgeted.

The figures for previous years show that even with the additional staff and costs STCU will be within the efficiencies we have achieved in recent times.

	2018	2019	2020	2021	2022	2023	2024	2025	Average
	\$	\$	\$	\$	\$	\$	forecast	Budget	actuals
Workload	10,875,000	13,180,000	8,747,000	10,950,000	9,000,000	10,400,000	19,800,000	23,150,773	
Overhead costs									
AOB	823,364	790,476	833,327	634,352	775,036	835,129	1,011,208	1,221,000	
SB	363,290	364,332	383,081	390,568	375,342	353,803	375,000	400,000	
	1,186,654	1,154,808	1,216,408	1,024,920	1,150,378	1,188,932	1,386,208	1,621,000	
AOB to projects %	8.2%	6.4%	9.8%	5.9%	9.0%	9.9%	6.4%	5.5%	8.2%
Total overhaed to total workload %	10.9%	8.8%	13.9%	9.4%	12.8%	11.4%	6.7%	7.0%	11.2%

These figures can be presented as a chart (set benchmark is shown by the red arrow):



The clear conclusion is that the proposed budget and the increases in that budget are more than justified by the efficiencies which the Funding Parties will receive in the effective implementation by STCU of the hugely increased workloads.

3.4 Exchange losses

In prior years STCU has not "budgeted" exchange losses forecasting might be a better word. This is due to the complexity in forecasting such losses with the number of variables that would need to be included in the calculation.

In prior years the actual AOB expenditure was usually under the budgeted AOB and so the exchange losses did not increase the operating costs of the STCU above the budget total. However, with the drive for efficiency and as the pressures to reduce costs budgets have become tighter in recent years and the exchange losses have a more significant effect on the actual costs compared to budget. For the years 2022 and 2023 there was an overspend of budget of \$ 8,353 and \$ 7,629 respectively when exchange losses are included into the actual costs (not included in the budget). We can see that in 2024 there will be an overspend of \$ 53,000.

Following discussions with the funding parties it was decided that from 2025 a forecast of exchange losses will be included in the AOB budget figure presented to the GB. This will enable the parties to have better understanding of the overall operating costs of STCU.

The exchange losses that will be incurred during the year are going to be determined by:

- exchange rate movements;
- volumes of transactions in different currencies;
- timing of cash transfers between banks and currencies compared with the timing of the payment of expenses;

\among other factors.

Due to the complexities for a detailed forecast STCU have included in the proposed budget a simplified forecast based on the average exchange losses for the last three years.

Year	Actual	Average based on last 3 years
	\$	\$
2015	176,365	
2016	113,024	
2017	69,304	119,564
2018	65,998	82,775
2019	77,591	70,964
2020	151,907	98,499
2021	31,724	87,074
2022	105,352	96,328
2023	115,624	84,233
2024	<i>Forecast as at 31 August 2024</i>	110,325

3.5 Salary increase

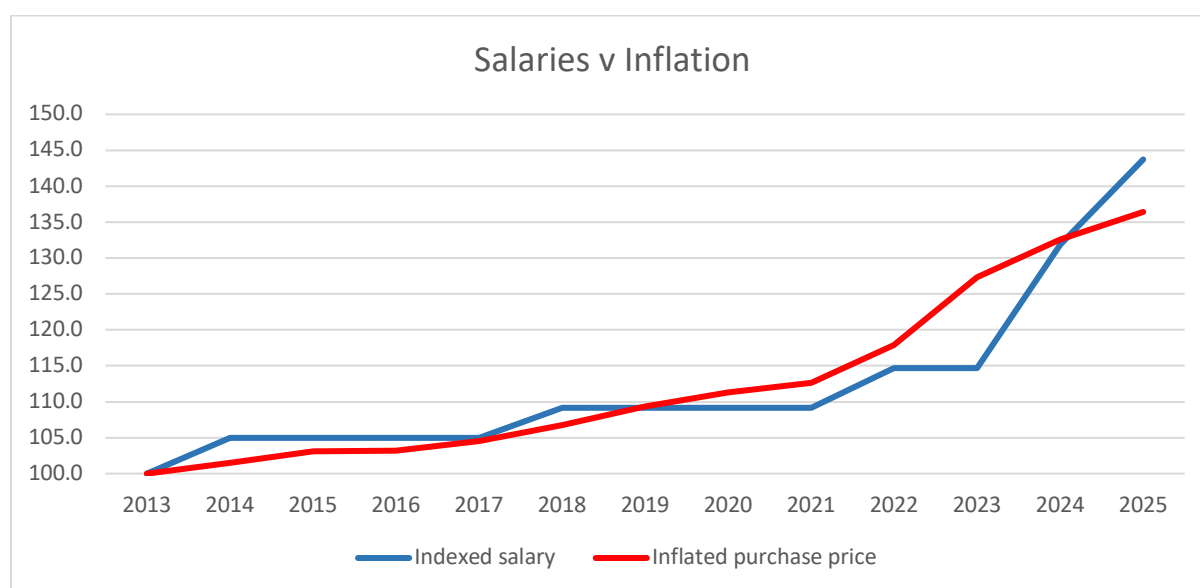
Salaries to be increased due to inflation. Inflation in the countries STC operates in and across the world has shown some signs of falling but is still higher than the levels that most governments are

prepared to accept as a normal level. For purposes of comparison, we have used US inflation data from the U.S. Bureau of Labour Statistics.

The reasons for this are that our staff salaries are denominated in and paid in US dollars. Although most of their costs are in Ukrainian Hryvnia which is subject to different inflationary pressures and inflation rates the differences between the inflation rate in one economy and another economy are largely compensated for by movements in the exchange rates. Therefore, for STCU staff a comparison to US inflation data is an appropriate measure.

Whilst as explained above the US inflation is a useful comparator, we also must appreciate that the war in Ukraine is having a significant effect in prices and exchange rates and so our staff are experiencing higher levels of inflation even when the devaluation of the currency is considered.

The chart below shows the salaries of STCU staff as indexed against US inflation and the need to increase salaries.



The proposed increase will put STCU staff ahead of the curve. However, we propose this increase for the following reasons:

- the inflationary effects in Ukraine (see above) are greater than in the US even taking the devaluation of the hryvnia into account;
- recent recruitment of new staff has shown that our salary rates are probably behind the market rates and are certainly behind market expectations;
- the displacement of people has had a detrimental effect on the available workforce especially among the higher qualified echelons with greater transferable and international skills many of whom have left the country;
- the ability of STCU to implement the massively increased workloads is dependent on retaining our high-quality team and recruiting equally able and committed persons to join the team;

3.6 Detailed AOB by budget line

Administrative Operating Budget 2025				
Description	2023 Budget	2024 Budget	2024 Actual	2025 Budget
	\$	\$	\$	\$
Non-Recurring Expenses				
Facility Improvements	2,000.00	2,000.00	29,202.45	5,000.00
Office Equipment	2,000.00	2,000.00	1,007.28	2,000.00
Computer Hardware	9,000.00	9,000.00	521.23	9,000.00
Computer Software	23,000.00	25,000.00	20,102.74	25,000.00
Subtotal Non-Recurring Expenses	36,000.00	38,000.00	50,833.70	41,000.00
Contingency - Non-Recurring	0.00	0.00	0.00	0.00
Recurring Expenses				
Personnel	491,000.00	620,000.00	665,644.98	778,000.00
Local Grant Payments	403,000.00	526,000.00	562,409.00	661,000.00
Staff Education & Training	23,000.00	23,000.00	22,745.00	23,000.00
Staff Education & Training - ED	6,000.00	6,000.00	6,000.00	6,000.00
Staff Education & Training - CFO	13,000.00	13,000.00	13,000.00	13,000.00
Staff Education & Training - DED UA	4,000.00	4,000.00	3,745.00	4,000.00
Employee Morale & Welfare	20,000.00	20,000.00	19,995.55	20,000.00
Medical Plan	45,000.00	51,000.00	60,495.43	74,000.00
Travel	52,000.00	52,000.00	32,783.81	52,000.00
International Travel	23,000.00	23,000.00	12,082.01	23,000.00
Travel withing the CIS	9,000.00	9,000.00	0.00	9,000.00
Travel withing the CIS - Monitoring	1,000.00	1,000.00	0.00	1,000.00
Travel withing the CIS - ED	8,000.00	8,000.00	0.00	8,000.00
Local Travel	20,000.00	20,000.00	20,701.80	20,000.00
Office Operations	114,500.00	115,500.00	76,892.09	107,500.00
Representation	1,000.00	1,000.00	100.37	1,000.00
Postage & Delivery	2,000.00	2,000.00	249.10	2,000.00
Customs Facilitations	500.00	500.00	0.00	500.00
General Office Supplies	4,000.00	4,000.00	3,489.03	4,000.00
Office Equipment Repair & Maintenance	2,000.00	2,000.00	1,176.26	2,000.00
Public Affairs	36,000.00	36,000.00	11,142.86	18,000.00
Printing & Reproduction	2,000.00	2,000.00	409.68	2,000.00
Telecommunications Services	12,000.00	12,000.00	8,203.54	12,000.00
Business Meetings	3,000.00	3,000.00	0.00	3,000.00
Subscriptions & Publications	2,000.00	2,000.00	69.82	2,000.00
Building Supplies	4,000.00	4,000.00	2,789.24	4,000.00
Insurance	4,000.00	5,000.00	2,094.69	5,000.00
Bank Fees - Offshore	30,000.00	27,000.00	23,776.73	27,000.00
Bank Fees - Onshore	12,000.00	15,000.00	23,390.78	25,000.00
Branch Offices	29,000.00	29,000.00	24,472.44	29,000.00
Branch Offices - Baku	6,000.00	6,000.00	3,399.81	6,000.00
Branch Offices - Chisinau	5,000.00	5,000.00	3,072.63	5,000.00
Branch Offices - Tbilisi	18,000.00	18,000.00	18,000.00	18,000.00
Contracted Services	75,000.00	73,500.00	41,549.83	73,500.00
Legal Services	2,000.00	2,000.00	84.57	2,000.00
Accounting & Auditing	30,000.00	25,500.00	25,500.00	25,500.00
Outsourced IT services	18,000.00	21,000.00	6,683.13	21,000.00
Other Professional Services	25,000.00	25,000.00	9,282.13	25,000.00
Subtotal Recurring Costs	761,500.00	890,000.00	841,343.15	1,040,000.00
Contingency - Recurring	30,000.00	30,000.00	12,700.39	30,000.00
Total Administrative Expenses	827,500.00	958,000.00	904,877.24	1,111,000.00
Foreign exchange losses	96,000.00	84,000.00	106,330.59	110,000.00
<i>Not previously budgetted for comparison 2023 and 2024 are as if the same methodology had been used</i>				
Total costs	923,500.00	1,042,000.00	1,011,207.83	1,221,000.00

3.7 AOB sharing ratio by Funding Party

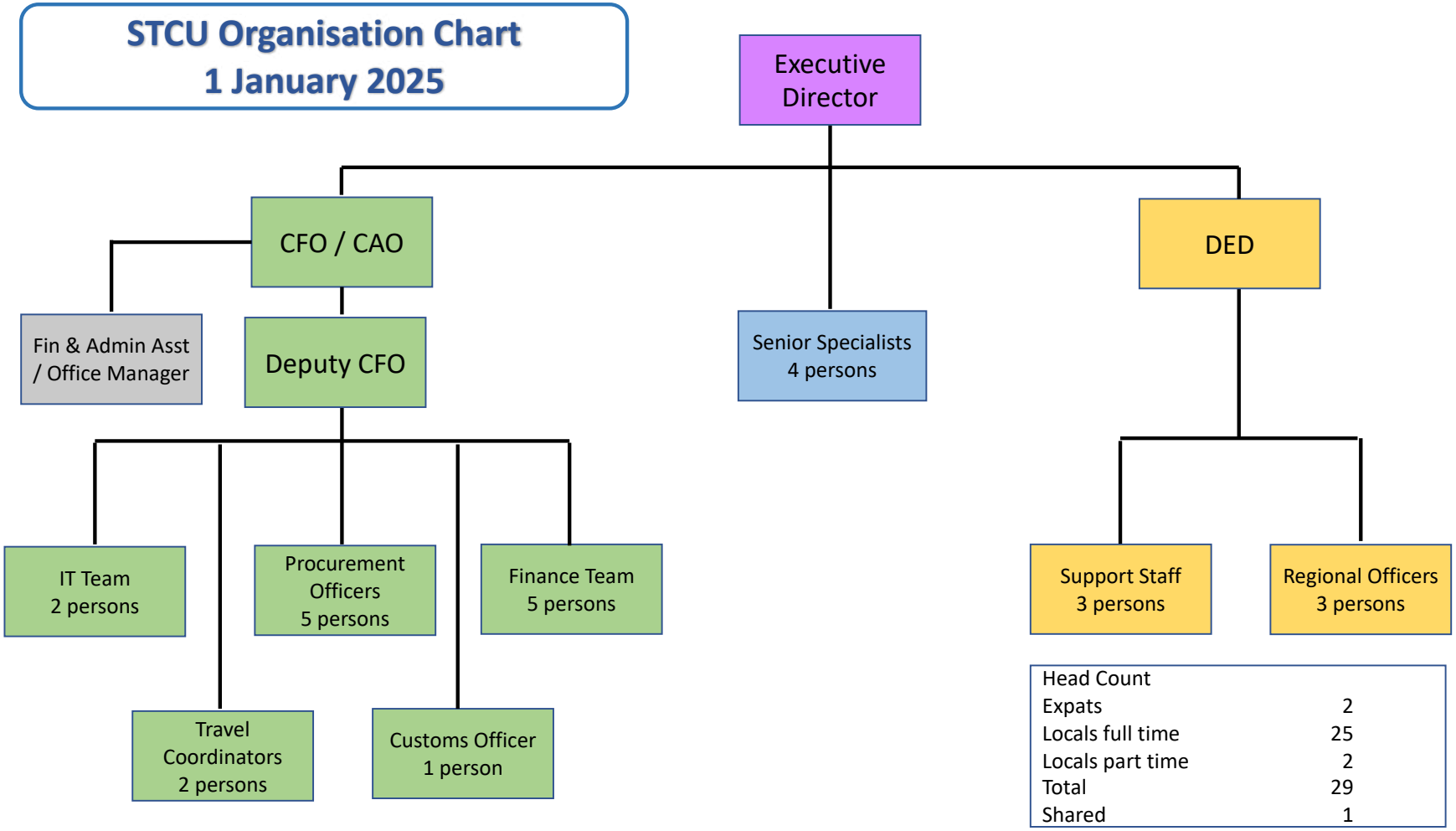
Using the formula agreed by the Funding Parties the AOB is shared as follows:

	EU	US	Total
	\$	\$	\$
Workload			
Projects	9,595,104	7,749,968	17,345,072
SBs	700,000	300,000	1,000,000
	<u>10,295,104</u>	<u>8,049,968</u>	<u>18,345,072</u>
Share of workload as a percentage	56.1%	43.9%	100.0%
	\$	\$	\$
AOB (including exchange losses)			<u>1,221,000</u>
Fixed portion	100,000	100,000	200,000
Variable portion (shared as per the workload percentages above)	572,977	448,023	1,021,000
	<u>672,977</u>	<u>548,023</u>	<u>1,221,000</u>
Share of AOB as a percentage	55.1%	44.9%	100.0%

3.7.1 Funding of AOB by the Parties

It should be noted that the EU will pay their share (fixed and variable portion) in full by a lump sum payment. The US will pay their share by a lump sum (fixed portion) and by project fees (variable portion). The US Party and US government partners pay a fee of 10% (similar to the partner fee) of the projects that they fund through STCU. The fees earned in 2025 will be used to pay the US variable portion of the AOB. If the fees earned do not match the variable portion there will be a surplus or loss on the US contribution which will be credited or debited to the US UCC. The interest earned in 2024 will ensure that the US has available UCC to meet any shortfall in their variable portion should STCU earn insufficient project fees in the year.

4 STCU Organisation Chart as proposed





Update on FIRST Program, Fellowships, Cybersecurity Projects, and Workshops for Ukrainians outside of UA

(Report is tabled for the GB's consideration. STCU prepared to take questions, if any)

USDOS/ISN/NDF FIRST Program

The 53rd STCU Governing Board approved the initial \$400K contribution of U.S. Department of State's Bureau of International Security and Non-proliferation's Office of Non-proliferation and Disarmament's Fund to implement the FIRST program in Ukraine. The STCU acted quickly with its State Department colleagues to conduct the initial introductory webinar on January 27, 2022, and then with some delay due to the war, conducted the 2nd webinar virtually (originally was scheduled for in-person in Kyiv in April '22) on August 10-11, 2022 and finally the most recent 3rd remote workshop for Ukrainian experts and scientists titled "Series on SMR Site Characterization" conducted on March 21-23, 2023. In the Spring of '24, ISN-CTR worked with the STCU to reprogram all remaining budget (\$296,357) for the FIRST Program to the C-NED program (discussed below).

Seventeen (17) fellowships under the Virtual Advanced Nuclear Reactor Technology Fellowship Program started on November 1st, 2022, and completed on April 30, 2023.

The Countering Nuclear Energy Disinformation(C-NED) Fellowship Program, which encompassed five projects (#s 7106 to 7110) were initiated at the end of 2022 and successfully completed on 30th of April 2023. Given the success of these projects, ISN-CTR financed an additional five (5) amendments to these projects (project#s 7106a-7110a shown in the 56th GB Funding Sheet) which all started work on May 1st, 2023 and completed October 31, 2023. Given the success of these five extensions, ISN-CTR approved funding to extend these projects (project#s 7106b-7110b) for another six-month implementation. The second extensions completed on May 31, 2024. Finally, in the Spring of '24, ISN-CTR authorized the redirection of all remaining funds(\$296,357) in the STCU FIRST program to the C-NED program. The next updated projects in the C-NED program have been approved by ISN-CTR and successfully started on September 1st, 2024.

Fellowships outside of FIRST

At the end of Sept. '22, the STCU signed a letter grant with DOS/ISN/CTR to initiate the \$750K Virtual Scientist Engagement Fellowship Program for Vulnerable Ukrainian Scientists. These funds will be used to finance a number (minimum 35) fellowships to assist qualified scientists that are particularly vulnerable because of the Russian invasion. The STCU received forty-four (44) fellowship proposals and twenty-three (23) of them have been approved for funding by USDOS/ISN/CTR. As of today, the STCU signed ten (23) fellowship agreements which started in August/September '23.

The STCU is currently working with DOS/ISN/CTR on additional authorization for the remaining fellowship proposals.



At the end of Sept. '23, the STCU signed a letter grant with DOS/ISN/CTR to initiate a \$1,432,000 program entitled: Scientist Engagement Fellowship Program for Individual Displaced Ukrainian Scientists with Dual-Use Relevant Expertise and Ukrainian Partner Institutes. These funds will be used to finance at least thirty-six (36) virtual three-to-six-month fellowships for displaced Ukrainian scientists, technicians, and engineers (STEs) with dual-use relevant expertise in peaceful civilian research and also this program will fund at least six (6) larger 12-month civilian research grants for Ukrainian institutes. Each institute research grant will include at least ten (10) Ukrainian scientists, technicians, or engineers with dual-use expertise relevant to weapons of mass destruction (WMD) or their delivery systems.

As of the printing of this report, the STCU received thirty-six (36) fellowship proposals and eighteen (18) of them were approved for funding by USDOS/ISN/CTR. The STCU recently signed the eighteen (18) fellowship agreements with 49 Ukrainian scientists, which started in February '24 and May'24.

Additionally, the STCU signed two projects with the Ukrainian Partner Institutes (#7124 with KIEP entitled, "Analysis of Integral Risk Indicators from the NPP Site (Multi-unit Integrated Frequencies of Core Damage, Release from Fuel in Storage Pool, and Integrated Frequencies of Severe Accidents) and Comparison of Results with Risk Indicators for Individual Reactors") and (#7121 with Igor Sikorsky KPI entitled "Development and methodological content of educational programs for training specialists to solve safety problems in the field of nuclear energy utilization"). Both projects successfully started on May 1st '24 with total funding of approximately \$145K per Institute.

Furthermore, as is often the case, the Ukrainian scientific community (in this case the National Academy of Sciences) is bringing other potential donors to the STCU that are looking to fund fellowships for the Ukrainian scientific community. In mid-October '22, the STCU was contacted by EURIZON (European network for developing new horizons for Research Infrastructures) which is a Horizon 2020 project (Funded by DG-RTD), led by an organization called DESY (Deutsches Elektronen-Synchrotron - A Research Centre of the Helmholtz Association).

DESY is the implementing coordinator for the Horizon 2020 project entitled, "EURIZON", which originally was an initiative intended to enhance collaborate//on between European and Russian research organizations. In short, because of Russia's invasion of Ukraine in Feb. '22, the EURIZON Consortium decided to terminate its relationships with Russia and redirect the Russian funding to the Ukrainian partners of the consortium. The EURIZON Consortium is currently working with the STCU to start a fellowship program for research grants dedicated to Ukrainian scientists working in Ukraine (in all scientific domains).

At the time of publishing this report, the STCU jointly with the EURIZON Secretariat received seven hundred eighty (780) project proposals which were evaluated by 576 independent EU Experts by the end of April '24. Furthermore, the European Commission (EC) added an additional 3.5M EUR to the EURIZON Consortium and now the total budget for funding fellowships for the Ukrainian scientific community is 4.5M EUR.

As of today, the STCU signed three hundred and twenty-four (324) fellowship agreements for sixty-four (64) selected remote research projects, which started in February/April/May'24. The 64 Ukrainian teams were identified in three steps within EURIZON Programme under the supervision of a Scientific Review Panel composed of 14 executive directors and scientists from pan-European Research Infrastructures and Ukrainian research institutions. The 324 individual scientists in Ukraine receiving



one-year grants that will help to carry out scientific work at their home institutions in Ukraine, even under difficult conditions of ongoing attacks.

All the EURIZON research team Principal Investigators (PI) and team members have been invited and participated in online webinar about Open Science, conducted by the DESY and the STCU on July 16th 24. This webinar introduced the concept of Open Science in Europe, highlighted its importance, implementation strategies, and practical suggestions. Additionally, the EU subject matter experts provided information of the principles of FAIR data management (Findable, Accessible, Interoperable, and Reusable).

During the webinar, the STCU informed the participants that all EURIZON research team members provided their Q1 and Q2 reports, which were accepted by the EURIZON Secretariat.