

**DRAFT MINUTES of the SEVENTH MEETING  
of the STCU GOVERNING BOARD  
Kyiv, Ukraine  
December 9 - 10, 1998**

Thursday, December 10, 1998

OPENING SESSION

Dr. John Boright, US Board Member and designated chair of the Governing Board meetings, opened the meeting at 9:00 A.M. Those present included:

CANADA

EMIL BARAN, Board Member  
Michael Sperber, Canadian International Development Agency

UKRAINE

VICTOR BAR'YAKHTAR, Board Member

UNITED STATES

JOHN BORIGHT, Board Member  
Jim Noble, US Department of State

EUROPEAN UNION

JEAN GABOLDE, Board Member  
CHRISTINE BUZECZKI, Board Member  
Didier Gambier, Directorate General XII

OBSERVERS

JAPAN

Yuji Kurakowa, Ambassador Extraordinary & Plenipotentiary

UZBEKISTAN

Davron Khodjaev, First Secretary, Embassy of Uzbekistan

GEORGIA

Amiran Bejuashvili, Attaché, Embassy of Georgia

THE STCU SECRETARIAT OFFICIALS

LEO OWSIACKI, Executive Director  
Borys Atamanenko, Senior Deputy Executive Director (Ukraine)  
Arthur DuCharme, Deputy Executive Director (United States)  
František Janouch, Deputy Executive Director (European Union)  
John Murtha, Chief Financial Officer

VISITORS AND ACCOMPANYING DELEGATES

Don Osman, University of Manitoba, CANADA  
Cynthia Mentz, US Department of State, UNITED STATES  
Eileen Vergino, Lawrence Livermore National Laboratory, UNITED STATES  
Steven Gitomer, Los Alamos National Laboratory, UNITED STATES  
Klaus Fabian, Ambassador Extraordinary & Plenipotentiary, AUSTRIA  
Manfred Bauer, Directorate General XII, EUROPEAN UNION  
Nicole Bounada, Directorate General XII, EUROPEAN UNION  
Ritsuko Inoue, Third Secretary, Embassy of Japan, JAPAN  
Jerkin Zahidov, State Committee for Science and Technology, UZBEKISTAN  
Stanislav Dovgy, Minister, Ministry for Science and Technology, UKRAINE  
Sergiy Pasichnyk, Department of Science, Cabinet of Ministers, UKRAINE  
Anatoliy Shevtsov, National Institute for Strategic Studies, UKRAINE

Dr. Boright, chair of the Seventh Meeting of the STCU Governing Board, delivered brief welcoming remarks. He indicated that the Governors had particular pleasure to welcome new formal partners from the European Union and highlighted that it was the major event for the Board. Dr. Boright welcomed important Ukrainian visitors and with everybody's agreement asked them to make their speeches to the Governing Board at the end of the round of welcoming remarks.

Opening remarks were made in turn by the STCU Executive Director, members of the Governing Board, observers and distinguished Ukrainian guests.

Mr. Leo Owsniacki, the STCU Executive Director, on behalf of the Secretariat of the Science and Technology Center in Ukraine welcomed the Board members, observers and guests. He indicated the importance of the day for the Center because of welcoming latest member to the Center - the European Union, its delegation representatives. Special welcome was addressed to Georgia and Uzbekistan observers whose countries the STCU delegation headed by the Executive Director had visited during the last 3 weeks. He indicated the warm welcome provided by the countries during the visits and opportunity to have a first hand look at some of the science available in those countries; to see some of the institutes and to meet with many of the scientists. He further expressed his pleasure to see Ukrainian colleagues, whose presence showed recognition of the importance of the Center for Ukraine.

Mr. Emil Baran in his opening remarks on behalf of Canada highlighted privilege and pleasure to welcome the members of the European Union not only for the financial contribution but also for the leadership, imagination and direction that this membership offered the Center.

Mrs. Christine Buzeczki, on behalf of the Austrian presidency in the European Union, welcomed the Board members, observers and guests. She further indicated her pleasure to participate in the STCU activity at the Board Meeting as a member, confirmed commitment to accomplish the STCU objectives and in particular it's long-term objective of civil activities of former weapon of mass destruction scientists. In that regard, the presidency expressed its satisfaction with the Partner Program as a means to explore results of the STCU projects and achieve long-term sustainability.

Dr. Bar'yakhtar, on behalf of Ukraine expressed thanks again for the support of Ukrainian scientists formerly involved in the activity connected with weapons development.

Dr. Gabolde in his opening remarks on behalf of the EC executive body expressed pleasure to work on strategy and vision of the STCU activity and being a formal part of the STCU.

Mr. Jerkin Zahidov, State Committee for Science and Technology of Uzbekistan, expressed pleasure and honor to welcome all participants of the STCU Governing Board. He mentioned that since Uzbekistan had been involved in the STCU activity, 2 projects were funded and about 20 proposals had been prepared. The government of Uzbekistan paid great attention to the participation of its institutions and individual scientists in STCU projects. He assured all that the scientific cooperation in the frame of the Center was of great importance for Uzbekistan to support high skilled scientists and engineers for the country, which had been involved in big scale in military activity in Soviet time. The STCU projects would be a good opportunity to establish international scientific cooperation between Ukraine, Uzbekistan and other countries-founders of the Center. Also, it was a unique opportunity to develop new advanced technology using the experience of military scientists of the former Soviet Union. Another important point for independent Uzbekistan was the transition to a market economy for industry reconstruction. Mr. Jerkin Zahidov closed by thanking the STCU Governing Board; Funding Parties and the Center's staff for the attention paid to scientific and technological cooperation between scientists. The government of Uzbekistan would take all necessary steps to develop and widen the cooperation and was looking forward to working with the STCU to develop and implement new scientific technologies.

Attaché Bejuashvili of the Embassy of Georgia in Ukraine expressed pleasure to be present at the Governing Board Meeting and hoped to have a better and deeper relationship in future.

Ambassador Kurakowa of the Embassy of Japan in Ukraine addressed the Board outlining the STCU related activities regarding the exchange of letters concerning Japanese cooperation with the STCU between the Ambassador of Japan in Ukraine and the STCU Executive Director on November 3, 1998. Following the agreement, Japan had transferred the amount of \$1 mln. from the Japan account at the ISTC in Moscow to the Japan account at the STCU as Japan's contribution to the STCU projects. The Ambassador indicated the lack of time for project examination before the present Governing Board Meeting and expressed hope to make further selections by the next Governing Board Meeting using the criteria of involved Japanese collaborators, cost effectiveness, high quality of researches and/or researches in promising bid or researches with results that had higher possibilities of being commercialized.

Mr. Stanislav Dovgy, Minister, Ministry for Science and Technology of Ukraine, welcomed all the participants. He indicated that the scientific community of Ukraine highly praised the STCU activity on the conversion of the major part of scientific researches and integration of more than 3,000 scientists formally involved in weapons of mass destruction development into the world scientific community. That gave the possibility for Ukrainian scientists to redirect their activity into civil field of application. He expressed hope that after the EU accession to the STCU Agreement and after the 7<sup>th</sup> Governing Board Meeting, the number of such projects would grow. Unfortunately there were certain objective and subjective factors that brought difficulties into the STCU work in Ukraine. On one hand they were connected with fulfillment by Ukraine of its financial obligations, and with tax problems on the other hand. He informed that recently the Ukrainian Parliament had adopted a new edition of the Law on Science. It provided solutions for a lot of problems such as the growth of the role of state in financing science, questions of fulfillment by Ukraine its international agreements and obligations, that would help the work of international organizations in Ukraine. He assured that the Ministry for Science and Technology would do all possible to ensure the STCU's successful activity in Ukraine. He closed by thanking, on behalf of the Ukrainian government, all representative delegations for coming to the STCU.

Mr. Anatoliy Shevtsov, National Institute for Strategic Studies of Ukraine, welcomed all the participants on behalf of the Secretariat of National Security and Defense Council. He underlined that the Council paid great attention to the work of the STCU, especially for the support of Ukrainian scientists during the economic crises time as well as to the strategic sense of the STCU activity for Ukraine. Special welcome was given to the representatives of the EU with their first formal participation at the Governing Board Meeting as members.

Mr. Sergiy Pasichnyk, Department of Science of the Cabinet of Ministers of Ukraine, welcomed all the delegates on behalf of the Department. He indicated the close and fruitful cooperation between the STCU and the Department during the last period, particularly in decision on ratification of the International Agreement to Establish the Science and Technology Center in Ukraine in the part of taxation privileges signed by the President and the Prime Minister of Ukraine. He indicated they would resolve the financial questions raised by the STCU in the letter to the Cabinet of Ministers in regard to the Ukrainian government's obligation to provide a building and security.

Dr. Boright closed the welcoming remarks by underlining, particularly for Ukrainian colleagues, that the whole purpose of the Center was to help Ukraine to succeed. He welcomed once again the presence of the Ukrainian government representatives at the Seventh Meeting of the STCU Governing Board and expressed the hope that Ukraine in a very consciences way would maximize the benefit from the process and resources of the Center as well as welcomed the strategic thinking of the Ukrainian colleagues.

ADMINISTRATIVE TOPICS

Dr. Boright moved to approve the minutes of the Sixth STCU Board of Governors Meeting. The minutes were approved as presented.

Dr. Boright presented the Board members a new item of establishing clear record of Board decisions to be introduced by the STCU Executive Director.

Mr. Leo Owsiacki, Executive Director of the STCU introduced the idea to record decisions signed off by each Board member following each Board Meeting. The STCU Secretariat prepared a summary of the decisions made at the first six Board Meetings. The list fairly clearly reflected the majority of the decisions. The similar record of decisions of the present Board Meeting would be prepared upon its completion. US delegation agreed that regulation of the process would be useful and proposed to have decisions for Boards 1-6 reviewed by the next Board Meeting in order to make amendments, if necessary. Canadian delegation agreed to the process and complemented the Executive Director for doing necessary improvements. EU delegation confirmed the good idea of decision recording and agreed to follow it. The Board agreed that it was a good step to take and decided to have circulated the previous and the present records of Board decisions to the Advisory Committee members, including the Swedish member, and presented as final at the next Board Meeting.

The STCU Executive Director presented an overview of the activities of the Center. His report condenses and provides highlights of the work and developments during the last six months period.

The report detailed activities related to staff, such as a project management course for 9 Project Officers in July-August, 1998, developed together with the University of New Mexico in Albuquerque, New Mexico, USA, with cooperation and support from some of the US National Laboratories; summer period successful rotation work of 3 Field Project Officers in Kyiv; life insurance plan for staff added to the Center's policies; administrative changes such as Mr. John Murtha starting his duties as Chief Financial Officer October 1<sup>st</sup>, 1998, and Mr. Frantisek Janouch confirmed by the European Union as the Deputy Executive Director from the European Union.

He further reported on finalizing, together with Advisory Committee representatives, a new STCU logo to be put on stationary, business cards, papers, etc; arranging a tour of various Center projects for a professional photographer from the Canada International Development Agency; having extensive interviews with the Ukrainian national science newspaper called "CBIT" printed in special editions to commemorate the 80<sup>th</sup> anniversary of the National Academy of Sciences in Ukraine and at the same time having a great opportunity to further advertise the work of the Center in Ukraine.

He indicated the need to instituted restructuring plan, including hiring some additional staff for 1999, in order to carry out the work resulting from the EU accession to the Center, as well as the growth of the Center's activity, the increase of demands of the Partner Program, new funds from Japan and the accession of Georgia and Uzbekistan.

The Executive Director noted that the Secretariat provided a number of presentations both in Ukraine and abroad. Mr. Arthur DuCharme - at the conference relating specifically to conversion and potential commercialization of projects in SPOKANE, Washington, USA. Mr. Borys Atamanenko - non-proliferation conferences in Washington, D.C., USA, and in London, Great Britain. The Secretariat - briefing and tour of the Center for the new Canadian Ambassador and Austrian Ambassador. Mr. Frantisek Janouch - several presentations in various cities in Ukraine on various topics as well. The Executive Director - presentations to groups of interested Canadian government, industry, business and research/academic representatives; visit to few institutes in Kyiv and Institute of Radio Astronomy in Kharkiv; visit to Tbilisi, Georgia, and meeting with Chairman and Deputy Chairman of the Department of Science and Technology, the Deputy Minister of Foreign Affairs, the ISTC office representatives as well as various Institutes and Universities; visit to Tashkent, Uzbekistan, and similar visits and meetings with directors of institutes, Chairman and Deputy Chairman of the Department of Science and Technology; in both cases the Center finalized banking and customs procedures in each countries.

Mr. Owsiacki also reported on financial matters. Ukraine experienced a serious financial crisis (early September - present) with rapid inflation and devaluation of the Hryvnia. The Center responded to the inflation without requiring an in-year budget increase but reflected increased costs for affected items in the 1999 proposed budget. The staff was increasingly requesting a review of salary rates and the STCU Management was completing a review of the salary levels. The Center offered to provide Project Managers grant payments on a monthly basis until the crisis ended to prevent significant losses. A minimum number of Project Managers accepted the offer. The majority complained they would rather have grant payments in USD. Unfortunately, that was not allowed under current banking laws. He reported on a November problem with the STCU accounts in Bankers House as well as funds transferred to scientists' accounts in Bankers' House as of November 17. The funds affected totaled \$370,000. The Center took immediate actions such as informing Advisory Committee members; sending a letter to the Cabinet of Ministers, copies to the Minister of Foreign Affairs and the Prime Minister; making a briefing note for Canadian and US Ambassadors asking for immediate assistance. Joint efforts resulted in resolving the problem in 10 days. The Center opened a new alternative account in a different bank to continue the Center's operations. After studying the situation with Bankers House the STCU will discuss the continuing relationships with the bank. Mr. Owsiacki reported that the Center's overall expenditures to the end of 1998 were 10% below budget despite the inflation in the final quarter of the year.

The Executive Director listed the Center's major activities during the last 6 months including a successful Intellectual Property Rights Seminar carried out in Kyiv and Kharkiv in October, 1998, with the participation of legal expertise from USA, Canada and Ukraine; a Canadian Business Delegation visit in October 1998 led by Mr. Terrence Sellen, CIDA, to meet potential Ukrainian partners (the financial crises reduced the interest in investment at this particular time); 2 000 copies of 1997 Annual Report were printed and 1640 distributed to the Ukrainian, USA, Canadian, EU and Swedish science and technology communities, governments, companies, representations; the Center started the preliminary planning of work and focus points for the 1998 Annual Report together with the Advisory Committee members for completion by the end of May, 1999; the STCU supported 8 conferences in Ukraine in 1998 by providing funding and secretarial support; new Patent and IPR pilot project had been implemented successfully by 18 approved and funded patent applications; new Travel Grant project supported by the United States and Canada was very well received, as 10 scientists had the opportunity to meet with potential business partners in USA and Canada to pursue their projects through Partner Program.

Mr. Leo Owskiacki also briefly described problems with a few regular projects, partner projects, customs decree to register with the National Agency of Ukraine for Development and European Integration, work plan review system, partner approval process with the Ministry of Science and Technology and the National Academy of Sciences.

He continued on new STCU developments and described how ratification of the STCU Agreement was interpreted to be valid as of the date of confirmation by Ambassadorial note exchange with no further ratification required; recently resolved problem of privileges and immunities; formal accession of the European Union to the Center - the final documents and bilateral financial agreement signing, funds transferring and press event coordinated by the STCU with brief speeches of the Ambassadors of the USA, Canada, Sweden, Austria, EC Head of Delegation; transferring of \$1mn. from Japan together with the exchange of formal letters; Partner Program growth to be a significant part of the future of the Center - new partners, new activities, particularly with the European Union accession and the interest already expressed by many companies and agencies from Germany, France, and other European countries.

In conclusion, Mr. Leo Owskiacki summarized the project pipeline of the last 6-month period. The Center implemented a new screening process in March; the USA, Canada and EU provided short list selections which were repackaged into full form and provided to the Parties by September 30, as originally planned. The STCU were assured of responses for approximately 500 proposals by the June 1999 Board Meeting at the latest. Thus, 68 proposals remaining from the four previous Boards required technical review, 183 short-listed projects sent for the 7<sup>th</sup> Board and 68 post-screening projects sent for the 7<sup>th</sup> and 8<sup>th</sup> Boards. The Center had 188 proposals prepared for the 8<sup>th</sup> Board and 120 projects currently remaining at the Ministry for Science and Technology for review and clearance. So the total remaining outside the Parties was 308 and the total undelivered was 319. The Center has the situation back under control and is planning a new Call-for-Proposals in February 1999, 49 projects have been completed. From 34 approved regular projects by the 6<sup>th</sup> Governing Board: 17 - signed contracts, 9 - still waiting for workplan approval, 2 - waiting for Japanese money, 1 - hold over from the 5<sup>th</sup> Board Meeting and 5 - the Center's responsibility for finalizing details of the work plan and the contract.

#### REPORT FROM THE SECRETARIAT

Mr. Arthur DuCharme presented his report on 1998 new projects summary and described the US/Canada Travel Grant for \$20,000, which is intended to support visits with collaborators to obtain technical evaluation, improvement or further development of STCU projects or proposals, to assist in moving towards sustainability. Ten trips to Canadian and US National Laboratories, private companies and collaborators were detailed in the table. A request was presented to increase the budget to \$60,000 for 30 travelers from Ukraine, Georgia and Uzbekistan to go to the USA, Canada and European Union countries and was incorporated into the administrative budget proposal. The patent and IPR Protection project for \$10,000 supported 18 patent applications related to 14 different projects at an average cost of \$555 per application. As the demand exceeded the funds, the 1999 secretariat budget proposal intended expansion to support approximately 30 Ukrainian patents and 5 foreign patents. The second \$10,000 was spent to organize two IPR and Marketing Seminars in Kyiv, October 27, 1998, and in Kharkiv, October 28, 1998, with the help

Mr. Frantisek Janouch presented the Swedish Travel Fund summary. The fund was established in 1996 to facilitate scientific contacts between Ukrainian scientists and essentially Scandinavian scientists. During

years 1997-1998, 17 scientists had the opportunity to visit laboratories, industrial enterprises and conferences in Scandinavia or Europe. An average \$1,764 per scientist was used.

Page 7

Seventh Meeting of the STCU Governing Board  
December 9 - 10, 1998.

Mr. Arthur DuCharme described the Partner Program status and operational of organizational changes. He remarked on the growth of the Partner Program despite economic conditions in Ukraine. A table detailed the status of the STCU partner projects and proposals: 19 partner projects approved by the Board; 2 have been successfully completed and new Partner activities presented. He underlined the need of daily attention to every partner project and close work with the foreign companies. In response to these needs, the STCU has developed an unofficial business group to study the increase of partner activity and related needs.

Mr. Arthur DuCharme presented reorganization that included the reintroduction of the Chief Administrative Officer with a background in information technology; the Sustainability Group of 5 positions that would initiate, operate and monitor partner projects and also implement patent project, organize and operate business training, seminars and implement the travel grant project as well as sustain currently running projects to promote their eventual commercialization, maintaining technical databases, presentation of results surveys and results management of the completed projects. The group would be staffed by Ukrainians reporting directly to the Executive Director. The description of five positions was shown in the organization chart. The new organization would allow the Center to more effectively operate the partner program and new initiatives.

Dr. Gabolde indicated he liked the matrix management approach and Mr. Boright supported the new organization and Sustainability Group.

The Executive Director added some background and details justifying the need to fill the CAO position and Sustainability Group structure particulars. Further, he notified about preliminary discussions on possibilities of having an STCU presence in Georgia and Uzbekistan. In Georgia, it could be a combination of ISTC and STCU. In Uzbekistan, there were two approaches – either establishing an information office or field office. The activity was scheduled for 1999 and proposed for 1999 budget.

Mr. Frantisek Janouch described Annual Reports of 1996 and 1997. Following a summary of above-mentioned experiences, he moved to proposals for the 1998 Annual report. The same structure but different topics were proposed, namely a chapter welcoming the EU and saying good-bye to Sweden, new organizational structure chart, STCU projects description, travel grants, patents and IPR items, joint projects description, illustration of 1998 events, financial report including Georgia and Uzbekistan banking arrangements, the list of funded conferences, and field offices activities description. The Annex would contain abstracts of only 1998 funded projects as well as of partner 1998 projects and statistic data of completed projects. The 1998 Annual Report was planned to be 90-95 pages with lighter paper and fewer colors and be published by the next Board Meeting.

Dr. Bar'yakhtar said the 1997 Annual Report was very good and all Ukrainians liked it.

Mr. Arthur DuCharme presented modifications to the model Project Agreement incorporated in a new draft to assess clarity and consistency. The EU wanted to January 10, 1999 to further review the document. If no comments by this time, the document would be approved as presented.

Mr. Frantisek Janouch followed with the 3<sup>rd</sup> Call-for-Proposals plan. Following the discussion at the Advisory Committee, two alternatives and arguments were presented – open Call-for-Proposals through all the

year or regular Call-for-Proposals open for certain period. The 3<sup>rd</sup> Call-for-Proposals process as presented was approved by the Board.

Page 8

Seventh Meeting of the STCU Governing Board  
December 9 - 10, 1998

Mr. Borys Atamanenko made a presentation of Ukrainian issues. Following remarks of Ukrainian colleagues from the Cabinet of Ministers, President of Ukraine Administration, Ministry for Science and Technology, he added that Ukraine had confirmed financing for 1999 from the Ukrainian budget, as well as providing Ukrainian government clearance for the STCU regular and partner projects. Among important items he underlined that the President of Ukraine had issued the directive on tax privilege regime for the STCU. The Ministry of Justice of Ukraine made a conclusion and Mr. Pustovoitenko, Prime Minister of Ukraine approved that the STCU Agreement ratification was not needed according to the Vienna Convention. The Center also started procedures to try and reclaim VAT. The Ukrainian government gave a status of diplomat and issued a blue card to the STCU Executive Director that showed the STCU level in Ukraine. ED warned that UK budget for 1999 not sufficient and will be problems. If so, he will inform Parties and suggested higher level actions might be required.

#### BOARD PRESENTATIONS

Dr. Boright opened the discussion on Board presentations.

Mr. Jim Noble on behalf of the United States introduced IBM and the Oakridge National Laboratory as partners to the STCU program.

The vision statement/strategic draft plan was presented for information for evening discussion.

Dr. Gabolde nominated Mr. Frantisek Janouch as EU Deputy Executive Director.

Dr. Bar'yakhtar proposed extension of Mr. Borys Atamanenko as Ukrainian Deputy Executive Director.

Mr. Jim Noble proposed that Mr. Arthur DuCharme to continue service as US Deputy Executive Director for the STCU. He also formally presented Mr. John Murtha as Chief Financial Officer from October 1, 1998.

The Board accepted all these nominations.

#### FINANCIAL TOPICS

Mr. John Murtha presented an update on various financial topics.

He reported on current status of 1998 budget and underlined that the Center had \$110,585 or about 10% underspent on the budget. Then he continued in reporting on certain important 1998 budget expenditures and categories.



Mr. John Murtha then provided an overview and discussion of the 1999 administrative budget proposal. He highlighted the main changes from the 1998 budget as greater expenditures expected in 1999 budget; budget sensitiveness to inflation and devaluation of Hryvnia.

In connection with budget discussion, the Governors asked the STCU Secretariat to prepare for the next Board Meeting a short document outlining true administrative costs in the budget.

Page 9  
Seventh Meeting of the STCU Governing Board  
December 9 - 10, 1998

Further, Mr. John Murtha provided data on Ukrainian 1999 budget payments status. The Parties expressed hope that Ukrainian Government would make its 1999 financial contribution and it would be enough to cover rent, security and other expenses. It was decided that the Secretariat should take actions, to be supported by the Donor Parties to attempt to obtain the appropriate funds from Ukrainian Government.

The Chief Financial Officer moved to the banking operating update report. He described how the local Bankers House situation was of a political nature as well as problems caused by the banking situation in Ukraine; opening a back-up account in the First Ukrainian International Bank as an alternative step; banking arrangements with Uzpromstroy Bank in Uzbekistan and United Georgia Bank in Georgia.

The financial information related to the European Union accession and description of interest earned by each contributing Party was also presented.

#### PROJECT APPROVAL AND FUNDING

Dr. Boright opened the project approval and funding portion of the meeting.

Mr. Leo Owsniacki read out the approved new projects that resulted in a total grant value of \$3,807,898. Dr. Boright moved to have the project funding approved. The Board approved the motion by signing the table of funded projects.

At the end of this round the Party representatives exchanged remarks related to project selection, funding and related activities.

#### FINAL TOPICS

Dr. Boright opened discussions on the date of the next Board of Governors Meeting. It was agreed by the Board members that the 8<sup>th</sup> Board of Governors Meeting would be held on May 27-28, 1999 with location in the STCU premises in Kyiv. Possible future meetings in Lviv, Kharkiv, Dniepropetrovsk or other regions, not excluding Georgia and Uzbekistan would be investigated by the Secretariat and discussed with Advisory members for final decision.

The record of decisions of the 7<sup>th</sup> Board of Governors Meeting was approved and signed by all Board members and noted as a good way to regularize decisions.

The Press Statement was circulated and following minor changes approved by the Board for appropriate distribution.

Dr. Boright then opened the meeting for concluding remarks.

Mr. Emil Baran stated appreciation for the Executive Director's strong management style and new significant regularities such as job descriptions, changes to salary and bonus systems, bringing transparency to the organization, making new processes such as recording of Board decisions clearly, etc. and encouraged him to follow this direction in future.

Dr. Bar'yakhtar underlined the good work done and welcomed once again the European Union Board membership and the new style of the Executive Director.

Page 10

Seventh Meeting of the STCU Governing Board  
December 9 - 10, 1998

Mrs. Christine Buzeczki, on behalf of the Austrian presidency in the European Union, thanked the Board members and participants for an interesting and good experience.

Dr. Gabolde, on behalf of the EC executive body followed the Austrian presidency and confirmed the interest in participation in the Board activities and in continuing the activity through the STCU. He also expressed his good impression on the STCU activity as a whole.

The STCU Executive Director highlighted the tremendous work and support of the Center's staff. He welcomed Mr. John Murtha as Chief Financial Officer and Mr. Frantisek Janouch as EU Deputy Executive Director and also thanked the STCU Secretariat for the preparations for the Board.

Dr. Boright expressed his satisfaction for the continuing progress from the beginning and good position and real recognition of the Center at the moment. He underlined the importance to focus on maximizing the delivery of benefits to Ukraine, Georgia and Uzbekistan. He closed by thanking all the participants of the 7<sup>th</sup> Meeting of the Governing Board and adjourned the meeting at 4:30 P.M.