

Summary of the 13th Meeting
STCU Governing Board
Kyiv, Ukraine, December 6, 2001

Board Members: Canada: Valerie Sirois (Acting Chairperson), EU: Ambassador Norbert Jousten, Head of the European Commission Delegation in Ukraine (Acting Board Member) and Ambassador Pierre Clement Dubuisson, EU Council Presidency (Board Member), Ukraine: Yaroslav Yatskiv (Board Member)

Party Representatives: USA: Andrew Hood, Canada: Kate Stefanuk, EU: Didier Gambier

Observers: Nana Kavtaradze, First Secretary, Embassy of Georgia in Ukraine; Davron Khodzhaev, Commercial Advisor, Embassy of Uzbekistan in Ukraine; Koboyashi Yuki, Political Attache', Embassy of Japan in Ukraine

Honorable Guests Attending: Talyat Aliev, Ambassador Extraordinary & Plenipotentiary, **Azerbaijan**; Ake Peterson, Ambassador Extraordinary & Plenipotentiary, **Sweden**; Masha Yovanovitch, Deputy Chief of Mission, Embassy of the United States in Ukraine, **USA**; Victor Bar'jakhtar, Academy of Sciences of Ukraine, **Ukraine**; Igor Yukhnovsky, Head of the Supreme Council Committee on Science and Education

STCU Secretariat: Leo Owskiacki (ED), Boris Atamanenko (SDED), Arthur DuCharme (DED), Esa Manninen (DED), Curtis Bjelajac (CFO), and Marianna Carbe' (CAO)

Administrative Topics:

- ❑ Approved minutes of the June 7, 2001 Board Meeting #12 as presented
- ❑ The ED in his report focused on the efforts made by the STCU on promoting the Center's expansion internationally. He also highlighted how the workload of the staff and Secretariat has significantly increased because of doubling of budgets and new initiatives. The ED reinforced that the STCU intends to re-think internal project monitoring policies and procedures and he also mentioned that the Center is ready to move towards full electronic open registration of new proposals. No questions were raised.

Report from the Secretariat:

- ❑ Mr. Atamanenko presented a detailed report on the accession interest of Moldova, Tajikistan and Azerbaijan. The recent mission to Baku allowed verification of proliferation potential. No questions were raised.
- ❑ Mr. Manninen provided an update on the Nuclear Safety Project (Y2K extension) and reported on the completion of the project and preparation of a final report which will soon be ready for submission to TACIS. Mr. Manninen also informed that monitoring at the NPPs has been completed. The Board Member, Ambassador Jousten complimented the Secretariat on the successful completion of the project and expressed his appreciation for the efforts made and the successful result on significant savings achieved with respect to tender procedures.
- ❑ Mr. DuCharme described the STCU training initiatives and underlined that this support provided by the Center is playing a major role in the professional development of the STCU

staff. Ambassador Jousten asked for clarification in terms of the number of staff benefiting. The ED described the performance appraisal process linked to training and professional development requests.

- ❑ Mr. Manninen reported on the Sustainability Group Activities. He also mentioned the importance of the Road Shows organized this year to European countries Finland and Germany, and of those planned for next year. The Board encouraged the Secretariat to continue to pay close attention to the identification of significant results among regular projects for future possible commercialization of good technology. The Center showed how to be proactive by providing training to scientists on how to reach the world technology market. Mr. Yatskiv asked if the Partner Program provided results and whether Partners were satisfied. Mr. Manninen confirmed that there are examples of success stories and this is demonstrated by the fact that some projects have already led to foreign patenting and commercial potential opportunities as well as extension requests by Partners. Ambassador Jousten supported Road Show concept and encouraged enhancing idea. Mr. Hood said USA strongly supportive of SG initiatives and would like to do even more in this area.
- ❑ Mr. Du Charme presented the 2001 Annual Report plans and described the focus of this report. Ms. Sirois suggested including some testimonials from western Partners if possible.
- ❑ Mr. Du Charme presented the IT group activities. General interest centered on the possibility of forwarding electronically proposal documents for foreign expert review. No questions were raised.
- ❑ Mr. Atamanenko briefly described the status of Statute Revisions with respect to IPR. Mr. Hood said that the USA review process is still not concluded. The Board Members recommended to speed-up the process and decided to approve the revised statute, effective when final US approval is provided.
- ❑ Mr. Atamanenko presented the status of the NASA-NSAU MOU program. The EU indicated they were prepared to approve today 8 of the proposals.
- ❑ Ms. Carbe' presented the developments and progress of the STCU efforts in establishing the Information Office in Uzbekistan and stated that the official office opening, after minor renovations, will be held in February 2002. The ED stated that 2 letters regarding accreditation request and official concurrence were under preparation.
- ❑ Mr. Atamanenko reported about Ukrainian issues related to the Government of Ukraine and its obligations with the Center.
- ❑ The ED presented the tentative plan for the New Open Registration process. Mr. Gambier commented that the Board has to provide its support to the proposed approach formally. The EU representative expressed his concerns about the evaluation process in the capitals and the out-of-cycle approval process of projects and funding, which the EU does not support, being an activity strictly related to the Board Meeting function. Canada's representative supported the new process. Mr. Hood suggested changing the wording wrt rating. Mr. Yatskiv proposed that Ukraine should be involved in this registration process and in the definition of the proposed categories. Mr. Gambier pointed out that Ukraine is a recipient country.

Financial topics:

- ❑ Mr. Bjelajac briefly updated the activities of the STCU related to Bankers House debt and legal steps taken from the June Board to date. Mr. Yatskiv congratulated the Center on its success in recovering over 80% of funds.
- ❑ Mr. Bjelajac provided an Audits update, and informed about the tender procedure that led to the choice of Lubbock Fine for the next two years as the Auditing Company selected by the STCU Tender Evaluation Committee and recommended the Board to approve the selection. He also mentioned the STCU's wish to coordinate Audits from the capitals in order to avoid overlap with internal monitoring activities. Mr. Hood thanked the secretariat for the support

provided to teams of auditors and the time devoted, underlining their importance in providing answers to the US Government. So far all responses have been very positive about the Center's operations.

**** The Board approved the audit choice proposed by the STCU.**

- ❑ Mr. Bjelajac presented the 2001 Expenditure Status for the AOB and SB. The Parties congratulated the Center for the excellent financial budget management.
- ❑ Mr. Bjelajac presented the 2002 AOB and SB. Mr. Gambier recommended putting all Contingency funds in non- recurring expenses and increasing the amount to 10% of the total AOB. About funds devoted to road shows, Mr. Hood proposed to promote the Center as well in the US, and the Canadian representative joined the US representative inviting the center to include Canada in the road show list.
- ❑ Mr. Yatskiv expressed hesitancy in signing off on the SB since he did not understand all activities.

****The Board approved the AOB and SB.**

- ❑ STCU suggested it was time to dissolve the Building Contingency fund and return shares to Parties as contributed.

****The Board approved dissolving the building reserve fund.**

13th Board Record of Decisions:

- 2002 Administrative Operating Budget (AOB) approved as presented (Total \$1,330,640)
- Approved Supplementary Budget (SB) revisions reflecting an increase of \$60,000 to Activity 04.01.
- Approved new Open Registration format for proposal submissions as presented in the accompanying Resolution, where it is stated that the Board agrees that as concerns Registration of Proposals submitted to the Center, the process will now be carried out in a continuous manner
- Agreed that building reserve fund should be dissolved and funds proportionately re-appropriated to the 2002 AOB
- Approved Lubock Fine Chartered Accountants , London as financial auditors for the STCU fiscal years ended 2001 & 2002
- Approved and revised STCU Statute, specifically Definitions and Article XIII, pending receipt by the STCU and other Parties of USA Party concurrence
- Approved 44 regular projects (including continuations) for a total of \$ 5,047,875 + EURO 1,670,000 plus 8 NASA/NSAU projects totaling \$ 610,000 + EURO 28,000
- Noted introduction of six new Partners to the STCU since June '01 Board for a total of US \$ 330,699 +EURO 174,916; also confirmed 4 Partner Project contract extensions for a total of US \$ 335,984.

Final Topics:

- ❑ Date and location of the next Board Meeting: Kyiv , June 13, 2002
- ❑ The press statement is approved