



SCIENCE AND TECHNOLOGY CENTER IN UKRAINE

Project Agreement

9612

between

THE SCIENCE AND TECHNOLOGY CENTER IN UKRAINE

and

***Institute for Nuclear Research of National Academy of Sciences of
Ukraine***

Kyiv

OPERATIVE COMMENCEMENT DATE:

The Science and Technology Center in Ukraine (hereinafter referred to as “**the Center**”),
the *Institute for Nuclear Research of National Academy of Sciences of Ukraine*,

(hereinafter referred together as “**the recipient entity(ies)**”), represented for the purpose of signing this Project Agreement (hereinafter referred to as “**the agreement**”) by their authorized representatives (with the Center and the recipient(s) hereinafter referred to collectively as “**the signatory parties**”),

TAKING INTO ACCOUNT THE FOLLOWING CONSIDERATIONS:

The United States of America, Canada, Sweden and Ukraine signed the agreement establishing the Science and Technology Center in Ukraine on October 25, 1993 (referred to as “**the STCU agreement**”),

The European Communities acceded to the STCU agreement on November 26, 1998, and in so doing, replaced Sweden as a Party to the STCU agreement (hereinafter, “Party” means an entity that was an initial signatory to the STCU agreement or that has acceded to the STCU agreement),

Additional states may accede to the STCU agreement to participate in the activities of the Center (Georgia acceded to the STCU agreement on March 18, 1998; Uzbekistan acceded to the STCU agreement on December 29, 1997; Azerbaijan acceded to the STCU agreement on June 27, 2003; Moldova acceded to the STCU agreement on December 7, 2004),

The Center is a legal entity and has been accredited by the Ministry of Foreign Affairs of Ukraine as an intergovernmental organization with its headquarters in Kyiv,

The recipient(s) is a legal entity within Ukraine (or other CIS state),

The Governing Board of the Center has approved the financing of a project through the Center in the domain covered by the agreement. The *European Communities* (hereinafter referred to as “**the Financing Parties**”) have agreed to provide financial support for such a project,

As set forth in the STCU agreement, funds received by a legal entity in connection with the Center’s projects shall be excluded in determining the profits of that organization for the purpose of tax liability, and funds received by persons in connection with the Center’s projects shall not be included in these person’s taxable incomes,

HAVE AGREED AS FOLLOWS:

Article 1 - Scope of agreement

1.1 The recipient entity(ies) shall carry out the work plan set forth in Annex I according to the conditions of the agreement, subject to the provisions of the STCU agreement, and the statute of the Center (hereinafter referred to as “**the STCU statute**”) which govern in case of conflict. The activities carried out under the agreement are entitled “*Development of the Internal Compliance Program for the National Academy of Sciences of Ukraine*” (hereinafter referred to as “**the project**”). All Project Activities subject to this Agreement are to be executed by the Recipient, using only funding provided by the Center and/or sources approved by the Center. The recipient entity(ies) shall notify the Center immediately if it and/or other participating institutions determine at any time to utilize any other funding sources to execute such Project activities.

1.2 Subject to any amendments or exclusions by any other articles, the detailed terms of the agreement are specified in the annexes which form an integral part of the agreement. In the case of conflict between any provision in the annexes and any other provision of the agreement, the latter shall prevail.

Article 2 - Duration of the project

The duration of the project will be 24 months from the first of the month following the date this Agreement is signed by the STCU Executive Director, or from the first of the present month if this agreement is signed by the fifteen of the present month inclusively (hereinafter referred to as “**the operative commencement date**”).

Article 3 - Organizational structure of the project

3.1 The scope of work for each institution which takes part in the project, the organizational structure of the project, as well as financial requirements of such an institution, are attributed and stipulated in Annex I. The *Institute for Nuclear Research of National Academy of Sciences of Ukraine* (hereinafter referred to as “**the coordinating institution**”) and the other institutions participating in the agreement will hereinafter be referred to collectively as “**participating institutions**.”

3.2 In the agreement, the authorized representatives of participating institutions, the project manager and the participating institution managers who are identified in Annex I, shall be responsible for the scientific, financial, personnel, and administrative management of the project in accordance with the terms and conditions of the agreement. The project manager from the coordinating institution shall be responsible for all aspects of the project including authorization of requests for payments associated with fulfilling the work plan, coordination between participating institutions, and the submission of all documents on behalf of the recipient(s) to the Center, whereas the participating institution managers shall be responsible for work carried out by their respective participating institutions and the submission of documents on behalf of their respective participating institution to the coordinating institution.

3.3 In the agreement, the authorized representatives of participating institutions, the directors, shall be responsible for general administrative and legal agreement’s support in accordance with the terms and conditions of this agreement. The directors hereby accept the project manager, the participating institution managers and the project grantees; agree that the project will be performed on the premises of their respective institutions and that necessary facilities and services will be made available to support the project manager, the participating institution managers and the project grantees during the performance of the project.

3.4 The recipient entity(ies) is bound by this agreement to take all necessary and reasonable precautions to make safe all money and property according to this agreement and bears responsibility for any loss or damage of items provided. The project manager and the participating institutions managers shall have exclusive rights to utilize all equipment and materials provided to or procured by respective participating institution during the term of the project.

Article 4 - Financial contribution of the Center

4.1 The total cost of the project to the Center shall not exceed € 100000. This total includes the cost of items described in Articles 4.2, 4.3, and 4.6 below.

4.2 The Center shall make grant payments directly to the project grantees. The amount of such payments is estimated to be € 81200. This total amount may be increased with the concurrence of the Center project coordinator provided that (1) such increase results from the additional time worked on the project rather than an increase in the rate of pay and (2) an offsetting reduction is made to the cost of items in article 4.3.

4.3 The Center shall pay for items ordered by the project manager on behalf of the participating institutions including: equipment, materials, other direct costs and travel. The amount of such payments is estimated to be € 12256.

4.4 Equipment purchased in accordance with Article 4.3 will be preserved, accounted for, and maintained throughout the term of the project by the participating institutions. Such equipment shall be used only in areas that are open for monitoring and auditing in accordance with Article 9.

4.5 Title to equipment purchased in accordance with Article 4.3 with an acquisition per item cost of less than \$2,500 will vest in the participating institution at the time of delivery. Title to all other equipment will remain with the Center until termination, cessation, or completion of the project, at which time title will be vested in the participating institution unless prior to or on that date the Center informs the participating institution of its intention to retain title to the equipment.

If the Center retains title to the equipment, the Center will provide instructions to the participating institution for disposition of the equipment. The Center will pay the cost of disposing of such equipment.

4.6 The Center will pay overhead to participating institutions, represented by their respective directors, in an amount not to exceed 10% of the direct project costs for each participating institution.

Article 5 - Cash payments by the Center

5.1 The Center shall pay its financial contribution through special bank accounts established by the Center.

5.2 Pursuant to Article 4.2, the Center shall make grant payments directly to private bank accounts of the project grantees in accordance with Letters of agreement between the Center and with each project grantee.

Each project grantee shall personally withdraw grant payments from his or her bank account. The use of a power of attorney to allow one individual to withdraw grant payments from the individual accounts of the project grantees is not permitted without the express permission of the Executive Director of the Center.

The Center shall make the advance payment, which is one third of the first quarter grant payment to the project grantees, as soon as possible following the operative commencement date.

The Center shall make quarterly grant payments in accordance with the payment level rates set forth in Annex I and the amount of time devoted to the project by each grantee. Such payments are made after approval by the Center the cost statement for the last completed quarter. The Center, at its option, may require the project manager to provide completed time cards certified by the project manager to the Center on a monthly basis to support the time devoted to the project.

Since the project grantees will remain employees of the participating institutions, the Center's act of direct grant payments to the project grantees will not transfer from the participating institutions to the Center any liability for damages caused by the project grantees during execution of the projects or any liability for damages to the project grantees during execution of the project.

5.3 Pursuant to Article 4.3, the Center shall make current payments directly to vendors in amounts which are estimated in Annex I. Such payments shall be based on vendor invoices and other documents delivered to the Center with written requests from the project manager.

5.4 Pursuant to Article 4.6, the Center shall make payments of overhead to the participating institutions represented by their respective directors as a fixed payment.

One half of the overhead will be paid after approval of quarterly progress and cost statements by the Center. A retention shall be made by the Center of the remaining one half of the allowable overhead for the project. The retention shall be released to the participating institutions represented by their respective directors within one month following the approval by the Center of the last technical or financial document or other deliverable required by the agreement.

5.5 Within Ukraine, all cash payments will be made in the national currency of Ukraine. Conversion of US dollars to the national currency of Ukraine will be according to the exchange rate of the Interbank Rate of Ukraine. Within Georgia, Uzbekistan, Azerbaijan, and Moldova, all cash payments will be made in U.S. Dollars or Euros where possible.

Article 6 - Cost Statements by the recipient

6.1 Quarterly cost statements (consolidated by the project manager and for each participating institution) covering each three-month period shall be submitted within 15 days by the project manager to the Center in English and Ukrainian (Russian optional, if the project is located in other CIS State), in hard copy and in electronic format on disk (Microsoft Word and Excel). The statements shall be appended to the relevant progress reports specified in Article 7. The format of the cost statements will be provided by the Center. The quarterly cost statements will include a representation that all project activities conducted by the Recipient during the preceding quarter were funded only with funding provided by the Center and that no other source of funding was utilized in carrying out such activities. If cost statements are not submitted on time, the Center may request in writing its submission. If the Center does not receive the submission within twenty days after such a written request, the Center may consider the previously claimed costs to be final and determine to make no further reimbursement.

Article 7 - Reports and other project outputs

7.1 The recipient entity(ies), represented by the project manager, shall submit the following reports in accordance with the format prescribed in Annex III, in English and Ukrainian (Russian optional, if the project is located in other CIS State), in hard copy and in electronic format on disk (Microsoft Word and Excel):

(a) Quarterly progress reports covering each three-month period following operative commencement date will be submitted within one month after the end of each reporting period. Quarterly progress reports are not required on the dates when annual progress reports are due.

(b) Technical reports will be submitted within one month after the significant results are achieved according to the milestones defined in work schedule (see Section 9 of Annex I).

(c) Annual reports will be submitted within one month following the anniversary date of the operative commencement date and will cover the previous twelve months of project activity.

(d) A draft final report will be submitted within two months of the completion of the project work plan, cessation or termination of the agreement, or the agreed completion date of the agreement, whichever will be the earliest. The Center will submit to the recipient(s) its evaluation of the work performed and the draft final report within two months after receipt by the Center of the report. The definitive final report will then be submitted to the Center within one month following the receipt of the Center's evaluation and will take into account the Center's evaluation. If the Center does not submit an evaluation within two months, the draft final report shall be considered the definitive final report.

(e) All reports shall be submitted by the project manager from the coordinating institution, as mutually agreed with all participating institutions, prepared in a suitable form for publication and satisfactory to the Center.

(f) The beginning of each period defined in accordance with (a), (b), (c), (d) of this article can be shifted by corresponding number of months, if the first advance payment will be late more than one month after the operative commencement date.

7.2 For the purposes of the agreement, "deliverables" are defined as any significant outputs of the project to be submitted in accordance with Annexes I, II, and III.

Article 8 - Ownership and exploitation of results

8.1 When intellectual property arises under this agreement, the entity which creates it will inform the other entities participating in the project and the Center's Executive Director, who will inform the Parties in a timely fashion.

8.2 The recipient entity(ies) shall hold all rights worldwide to intellectual property arising from this agreement, as set forth in Part E of Annex II, except for the rights in the Financing Party's territory enumerated in Article 15.2 of Annex II.

8.3 Exploitation of results shall be limited to applications for peaceful purposes. In this regard, the participating institutions shall ensure that any results which could result in concerns over proliferation of weapons technology and transfer of sensitive technologies will be treated in accordance with relevant laws of Recipient country(s) and international agreements and conventions to which Recipient country(s) is(are) a party.

Article 9 - Auditing and monitoring

9.1 Access by the Center and Financing Parties to carry out on-site monitoring of all activities of the project shall be granted by the participating institutions, and information and assistance shall be given for the verification and evaluation of the project activities as set out in Annex II.

9.2 Audits of costs may be carried out by the Center and the Financing Parties as specified in Annex II.

Article 10 - Amendments, variations, or additions

The provisions of the agreement and its annexes may be amended or supplemented by means of a written agreement signed by authorized representatives of the signatory parties.

Article 11 - Disputes

Disputes arising during performance of the agreement including, in particular, (i) a claim by the recipient entity(ies) for any payments deemed due; (ii) an interpretation of a provision of the agreement; or (iii) a request for relief or approval related to the agreement, shall be subject to the following procedure.

The recipient entity(ies), represented by the project manager, shall submit any claim, demand, or request in writing to the Executive Director. The written decision of the Center shall be delivered to the project manager within four weeks of the receipt of the submission.

Exceptionally, the coordinating institution may appeal the Center's decision in writing through the Executive Director of the Center to the Governing Board of the Center within four weeks of the communication of the Center's decision.

The decision of the Governing Board shall be final and binding. Pending the final settlement of disputes, the participating institutions shall, nevertheless, proceed diligently with the performance of the agreement.

Article 12 - Liability

12.1 The Center shall not be liable for any material loss, damage, or injury of any nature arising from, or in connection with, the performance of the work under the agreement solely by virtue of financing the project, including liability from direct grant payments to project grantees as set forth in Article 5.2.

- 12.2 The Center shall not be liable to the participating institutions or third parties for claims arising from
- (a) the publication or transmission of any report in accordance with Articles 4 and 13 of Annex II,
 - (b) the application of the contents of any report by a third party, or
 - (c) the handling or use of products which result from the project.

Article 13 - Termination of the agreement and Issuance of Stop Work Orders

13.1 The Center may terminate the agreement by a written notice to the recipient entity(ies), with the termination to be effective after 30 days or a longer period as determined by the Center following receipt of the notice by the recipient entity(ies). The project manager, with approval of the Center, may terminate the participation of a participating institution by a written notice, with the termination to be effective after 30 days or a longer period as determined by the Center following receipt of the notice by the recipient. Notwithstanding any termination, the submission of reports and cost statements covering the period up to termination shall be required.

13.2 The agreement may be terminated due to force majeure or to other factor beyond the control of the participating institutions.

13.3 If the agreement is terminated pursuant to paragraphs 13.1 or 13.2, costs shall be limited to the allowable costs incurred by the participating institutions prior to the termination and such other costs as the Center considers to be fair and reasonable having regard to commitments which have been reasonably entered into and which cannot be canceled or avoided.

The participating institutions shall comply with the directions of the Center in the termination notice to reduce or mitigate these costs.

Notwithstanding any termination, the following provisions of the agreement will continue to apply: Article 11 (Disputes); Article 7 and Article 8.2 (Equipment) of Annex II; and Part E of Annex II (Intellectual Property Rights).

13.4 Furthermore, if the Center terminates the agreement because of actions by the participating institutions which obviously violate the national laws of Recipient country(s) or which obviously are contrary to the stated objectives of the Center or to other conditions specified under the STCU agreement or the STCU statute, the participating institutions shall, upon demand by the Center, promptly return all payments and goods previously provided to the participating institutions. Notwithstanding the provisions of Article 13.1, termination pursuant to this paragraph shall be effective immediately upon

receipt of the written notification of the termination by the recipient entity(ies). Notwithstanding any termination, Part E of Annex II will continue to apply.

13.5 If the Center determines that the participating institutions have violated (1) the national laws of Recipient country(s), (2) the objectives of the center as stated in the STCU agreement or the STCU statute, or (3) the terms and conditions of this project agreement, the Center shall have the right to issue a stop work order to the project manager and the participating institutions. Upon issuance of a stop work order, all work on the project will cease immediately. Project grantees will not be paid for work performed during the period that the stop work order is issued, the Center will review the circumstances which caused the stop work order to be issued and determine what action must be taken to remedy the situation. If and when the situation is remedied, the Center shall cancel the stop work order and thereby allow work on the project to resume. Alternatively, the Center may determine that the situation is so severe that the project agreement should be terminated pursuant to paragraph 13.4.

Article 14 - Annexes

As specified in Article 1.2, the Annexes are an integral part of the Agreement. They are:

Annex I - Work plan

Annex II - General conditions

Annex III - Formats for progress and technical reports

Article 15 - Entry into force of the agreement

This agreement shall enter into force on the operative commencement date.

Prepared in Kyiv in the English and Ukrainian languages (Russian optional, if the project is located only in other CIS State). In the event of inconsistencies between the English and other texts, the English text shall take precedence.

For the participating institution



Institute for Nuclear Research of National Academy of Sciences of Ukraine
Volodymyr Davydovskyy

Approved



Stamp Place

Vasyl Slisenko
Director

Date of signing(REQUIRED):

20.05.21

For the Center



Curtis Bjelajac

Executive Director



Date of signing(REQUIRED):

20/5/2021

1 Project Information

1.1 Project Title: Development of the Internal Compliance Program for the National Academy of Sciences of Ukraine

1.2 Project Science and Technology Areas:

Primary: Nuclear Energy & Safety

Secondary: None Specified

1.3 Project Manager:

Name: Davydovskyy Volodymyr Volodymyrovych (Doctor)

Phone: (+380.44) 525-4361

Fax: (+380.44) 525-4463

E-mail: odavi.test@gmail.com

1.4 Coordinating Institution:

Name: Institute for Nuclear Research of National Academy of Sciences of Ukraine of National Academy of Sciences of Ukraine

Address: 03028, 47, Nauki avenue, Kyiv, Ukraine

1.5 Participating institution manager:

1.6 Participating Institution:

1.7 Foreign Collaborators:

Person: Espona Maria

Country:

Organization:

1.8 Project location and facilities:

Export Control Group of INR, NAS of Ukraine

2 Detailed Description of Work Plan

2.1 Introduction

What is the problem?

Ukraine has developed and adopted an export control legislation, which fully supports its international commitment to prevent the proliferation of weapons of mass destruction (WMD) and related delivery systems, and the uncontrolled accumulation of conventional armaments as well as to fight international terrorism.

The control of the international transfers of sensitive goods – materials, components, equipment – is naturally implemented via export licensing and customs formalities. But the effective control of sensitive technology, software and services, which are also the sensitive goods in the terminology of export control, is not possible without additional measures realized at corporate level.

Industry is typical holder and exporter of sensitive technology, but research institutes, departments of universities and technical colleges are significant players in this area as well. During last 20 years, a lot of industries have implemented the Internal Compliance Programs (ICP), so all commodities are controlled at the corporate level in addition to the state controls. Scientific organizations, in contrast to industries, have no ICP and their staff has little or no knowledge about export control, because usually such organizations are not exporters themselves, but they develop technology and share specific knowledge with other entities located in the country and abroad. In addition, current development of the communication means potentially contributes to the uncontrolled transfers of the emerging technologies for weapon or terroristic purposes.

National Academy of Sciences of Ukraine is large Ukrainian organization, which operates more than 100 institutes and production units. The scientists and other personnel conduct research in wide area of scientific directions, including those, which may potentially contribute to weapons development.

Ukrainian legislation doesn't require ICP to be implemented and attested in organizations, unless they work with military goods or apply for general or open export licenses, but ICP is strongly recommended. This formal situation doesn't promote export control compliance in scientific organizations. None of the additional efforts will be made, if they are not mandatory.

In order to address this deficiency, it is proposed to develop and implement in the structure of NASU the ICP, which is a set of rules, procedures, approaches formalized in the regulatory documents of scientific organizations (under NASU supervision). The most important component of such compliance is the awareness of scientists in export control issues as well as in the possibility of being involved into illegal international weapons programs. Export control compliance requires extensive informational support on legislative basis, control lists, sanctions, etc. and the trainings conducted on the regular basis.

The challenges on the way of realization of ICP are as follows:

- NASU and its institutes require help in building the ICP;
- There is no experience in Ukraine how to build ICP in scientific or higher-education organization, a lot of documents must be created from scratch;
- Vast number of scientific and technical personnel has to be at least informed about export control and non-proliferation;
- Institutes within NASU have different profiles and as such require different ICP models;
- There is no NASU point of contact or office that has been designated to provide advice or guidance to all NASU scientific and technical personnel.

The Export Control Group of the Institute for Nuclear Research includes technical experts in the field of export control with more than 20-years' experience working in this area. Using the partnership with European, American and Ukrainian organizations, INR is capable to complete the proposed project.

The results of the project can be also applied at the institutes and universities, which do not belong to NASU.

2.2 Literature Search

What are other people doing?

Strengthening the control of the scientific research is the latest trend around the globe. A lot of attention is focuses on the development and implementation of ICP-like approaches in the universities, scientific and research institutes. For example:

- a. UK: King's College London in the frame of ALPHA Project developed "Higher Education Guide and Toolkit on Export Controls and the ATAS Student Vetting Scheme".
- b. Germany: BAFA together with Helmholtz Zentrum Berlin für Materialien und Energie GmbH, the Fraunhofer Gesellschaft, the Leibniz Institute DSMZ, the Robert Koch Institute and the Technical University of Berlin developed "Export Control in Science & Research" brochure and "Export Control and Academia Manual".

- c. Belgium: Liege University developed “EU Universities and Research Centers dual-use export control online tool (test phase)”
- d. USA: Texas A&M University developed “Export Control Compliance Program Manual”, Stanford University developed special instruction “Export Controls: What You Need to Know Before Traveling Abroad”, University of Colorado developed “Export Compliance Program Manual”, etc.

How are their results being applied?

Building the ICP implies the development of recommendations, manuals and templates, schemes, training programs, on-line tools, etc. So, usually the above-mentioned documents and tools are created and published as a result of such projects. In the proposed project, a set of required documents, informational and teaching materials/tools will be developed and shared among NASU’s institutes.

The institutes will be able to build the ICP and customize it according to recommendations and practical needs. The overall expected effect is tune own ICP (both procedures and rules and compliance software) to comply export control requirements and avoiding penalties for violations export control legislation.

2.3 Purpose and Objective

What are we going to do?

It’s proposed to analyze current business processes within the NASU as well as the areas of research and assess the risks of uncontrolled leakage of sensitive information, emerging technology, data, ideas, knowledge, etc. Then, the model of control of sensitive information will be developed at the NASU’s corporate level.

Next step, areas of research interests of all institutes will be analyzed. Based on the results of the analysis, institutes will be grouped according to the level of sensitivity of their researches. For each group, the corresponding ICP model will be developed.

The model includes detailed recommendations how to organize the ICP at lowest possible costs, sample documents, forms, informational resources, etc.

Successful completion of the project requires conducting the following meetings/seminars:

- with the administration of the NASU in order to present world’s best practices and discuss the working plan of the project;
- with administrations of the institutes in order to present the strategy of implementation;
- with export control related staff of institutes for thorough training on the basics of export control and functioning of ICPs.

It is planned to develop interactive on-line courses for the annual trainings of various groups of staff.

What’s the objective?

The objective of the project is to develop recommendations, manuals, procedures, templates and modules in the framework of new approach of the ICP, and facilitate its implementation in scientific and research institutes of the National Academy of Sciences of Ukraine, as well as in higher-education institutions of Ukraine, considering the requirements of Ukrainian legislation in the field of export control and existing world best practices.

2.4 Expected Significance

What’s new?

For the first time in Ukraine, the ICP for research institutes and universities will be created and implemented. The experience of other countries in this area will be accurately analyzed and used, but the ICP will be tailored to Ukrainian national legislation, the specifics of functioning of Ukrainian scientific

organizations and NASU, it will consider mentality of Ukrainian scientists and actual needs of scientific organizations.

2.5 Organization, Qualification and Staffing

Who are we?

The Export Control Group (ECG) of the Institute of Nuclear Research (INR) of the National Academy of Sciences of Ukraine has more than 20 years of experience in the field of export control. The members of the ECG have been trained at numerous international seminars on various aspects of the export control.

The ECG provides scientific and technical support for the State Service of Export Control of Ukraine. In particular, ECG conducts identification of nuclear-related dual-use goods, organizes and conducts international seminars on export control and identification of strategic goods, develops electronic systems and reference books on export control, has developed Ukrainian Single control list of DU-goods (using the European model of the control list). The ECG has implemented the elements of ICP at INR.

The Institute for Nuclear Research has the requisite experience and expertise to carry out this work.

In addition to the ECG staff, several key specialists from the headquarters of NASU will take part in the project.

How does this project relate to our other work?

Proposed project accumulates the experience of the ECG in the field of export control. ECG has completed a lot of projects with US and EU partners related to various aspects of non-proliferation and export control. For instance, the ECG has the following specific results related to the topic of the proposed work:

- in the beginning of 2000s, the ECG participated in the development of the base-line version of ICP-toolkit as well as in the development of updated Ukrainian version of the toolkit developed by the US Government for enterprises;
- during last 20 years, members of the ECG have conducted the practical exercises on ICP-tool for the representatives of Ukrainian enterprises at the enterprise outreach seminars organized by the US Government;
- in 2002, the ECG has investigated the level of support required by Ukrainian enterprises from Ukrainian Government in the field of export control;
- in 2005, the ECG in collaboration with Argonne National Laboratory has developed and implemented ICP at the Institute for Nuclear Research of NASU;
- in 2012, the head of ECG has presented a talk on specifics of ICP at INR at the seminar organized by US Government in Argentina;
- in 2020, ECG has started the development of the on-line system (the platform) with the capabilities of distance learning which will allow the NASU to inform and consult its institutes on various topics of nonproliferation and export control (the project is funded by NASU).

2.6 Expected Results

What will be done in the framework of this project?

Recommendations, manuals and templates for the ICP development, implementation and maintenance in NASU and modular baseline ICP Toolkit for NASU will be developed in the framework of this Project.

In the framework of this project, the following major goals should be achieved:

- 1) Customized model (or models) of export control compliance system should be created and implemented
- 2) A set of seminars for representatives of NASU organizations as well as Ukrainian universities should be conducted
- 3) Internal NASU regulations related to export control compliance will be developed.

4) As the result, the compliance of Ukrainian science and education with international standards of non-proliferation is expected.

5) An office/point of contact will be established within NASU to provide guidance to scientists on questions of export control

What's next?

The next stage will be conducting trainings (online/distance-learning and in-class seminars/workshops) about the ICP implementations and tuning for the top-management of the universities, scientific and research institutes and individual scientists and researchers.

2.7 Scope of Activities

How will the investigation be organized?

2021

1st quarter

1. Preparation for the high-level discussion of the project at the headquarters of NASU, development of the working plan

- investigating the status and progress of the “ICP for Academia” projects in other countries;
- familiarizing with the world best practices of ICP implementation;
- analyzing the best practices in the emerging technology transfer controls;
- preparing the overview of Ukrainian legislation in the field of export control;
- preparing an overview of the best practices and the draft working plan of the ICP realization.

2. Discussion of the working plan of the development and implementation of ICP at NASU

- conducting a half-day meeting devoted to the discussion of the working plan;
- making corrections to the draft working plan, based on the suggestions and comments received

during the meeting.

2nd quarter

3. Development of the detailed ICP models for various types of organizations

- analyzing existing institutes and their fields of research in order to group them by the level of sensitivity with respect to export control issues;
- develop models of ICP implementation for each of the groups including the recommendations, manuals and templates on ICP development, implementation and maintenance in NASU based on international best practice and following Ukrainian legal requirements for the ICP;

3rd & 4th quarters

4. Preparation of the internal NASU documents and starting the implementation process

- in cooperation with headquarters of NASU, all the required official documents will be prepared;
- the general information meeting for the directors of institutes will be conducted (this could be on-line meeting), where all issues of ICP will be explained.
- creation of point of contact/office for export control questions

2022

1st – 2nd quarters

5. Development of training materials for the institutes of NASU

- training materials for on-line distance learning system will be developed for export control staff as well as for project leaders and other scientific staff.

3rd – 4th quarters

6. Training activities for NASU and Universities, Consultations

- seminars and other training sessions will be conducted;
- the feedback from the participants of the conducted seminars and trainings will be analyzed;
- training materials and practical exercises will be updated based on the feedback;
- members of the ECG will be available for the phone and on-line consultations on export control and ICP related issues;

4th quarter

7. Preparation of the final report
- Summary report will be provided upon completion of the project.

2.8 Technical Methodology

How will the science be done?

Analysis of the Ukrainian legislation and the world's best practices, development of the on-line and in-class training materials, the use of distance learning capabilities are the main methods, which will be used during the project.

3. Work schedule

Definite stages of the project implementation are represented in matrix diagram in Table 1.

Table 2 graphically displays timing and duration of the stages involved, as well as interdependence of the stages.

4. Personnel commitments

Table 3 displays personnel commitments for the project implementation.

5. Goods, Services, and Other Direct Costs

Tables 4, 5, and 6 display the equipment, materials, services, and other direct costs to be purchased for the project.

6. Travels

Table 7 displays the costs necessary for travel outside and within country of residence.

7. Financial summary

Tables 8 and 9 display aggregate financial information and define the first advanced payment.

8. List of personnel

Table 10 contains detailed information about each individual person involved.

9 Allocation of the project budget among participating institutions *(for more than one participating institution only)*

Supplementary tables S8 and S9 display estimated expenditures by each participating institution separately.

Table 1. Work Schedule / Таблиця 1. Розклад робіт

Stages / Substages*		Institution short name	Estimate Work Days													Total by stage	Milestones	months	
# Stages	# Stage		Name	Qtr1	Qtr2	Qtr3	Qtr4	Qtr5	Qtr6	Qtr7	Qtr8	Qtr9	Qtr10	Qtr11	Qtr12		Name		
1		Preparation for the high-level discussion of the project at the headquarters of NASU, development of the working plan															270	- investigating the status and progress of the "ICP for Academia" projects in other countries; - familiarizing with the world best practices of ICP implementation; - analyzing the best practices in the emerging technology transfer controls; - preparing the overview of Ukrainian legislation in the field of export control; - developing questionnaire for NASU institutes; - preparing an overview of the best practices and the draft working plan of the ICP realization.	3
	1.1	Discussing and organizing with NASU the presentation of the Report and Working Plan	INR	90	0	0	0	0	0	0	0	0	0	0	0	0		Time, the venue, the equipment, the agenda, invitations must be arranged.	
	1.2	The Report preparation	INR	90	0	0	0	0	0	0	0	0	0	0	0	0		The report on Ukrainian legislation related to ICP as well as international experience on implementing ICP at Academia.	
	1.3	Preparation of presentations for the meeting	INR	90	0	0	0	0	0	0	0	0	0	0	0	0		Set of the PowerPoint presentations from INR, SSECU and US & EU partners	
2		Discussion of the working plan of the development and implementation of ICP at NASU															180	- distribution of the overview (survey) among academicians prior to the meeting; - conducting a half-day meeting devoted to the discussion of the working plan; - making corrections to the draft working plan, based on the suggestions and comments received during the meeting.	6
	2.1	Conducting the meeting with NASU administration	INR	0	90	0	0	0	0	0	0	0	0	0	0	0		Brief report on the outcome of the discussions at the meeting, the critique and suggestions	
	2.2	Making corrections to the draft working plan of the ICP implementation	INR	0	90	0	0	0	0	0	0	0	0	0	0	0		Final version of the working plan	
3		Development of the modular ICP model(-s) for various types of institutions/organizations															495	- analyzing existing institutes and their fields of research in order to group them by the level of ICP complexity with respect to export control issues; - develop modules for ICP model implementation for each of the groups including the recommendations, manuals, decision trees and templates on ICP development, implementation and maintenance in NASU based on international best practice and following Ukrainian legal requirements for the ICP;	12
	3.1	Development and distribution (printed or electronic version) of the questionnaire for the Institutes. Collecting the filled out questionnaire. Prepare the corresponding survey.	INR	0	90	135	0	0	0	0	0	0	0	0	0	0		The survey, which summarizes all information about the needs of NASU's institutes in ICP of various level of complexity.	

	3,2	Development of the modular ICP model	INR	0	0	135	135	0	0	0	0	0	0	0	0		The complete description of the ICP model including sample documents, implementation instructions, etc	
4		Preparation of the internal NASU documents and starting the implementation process														135	- in cooperation with headquarters of NASU, all the required official documents will be prepared; - the general information meeting for the directors of institutes will be conducted (this could be on-line meeting), where all issues of ICP will be explained; - relevant documents will be published on the web.	12
	4,1	Preparation of the NASU documents	INR	0	0	0	135	0	0	0	0	0	0	0	0		The NASU documents, which officially adopt the ICP at NASU level as well as instruct institutes to implements ICPs at their level.	
5		Development of training materials for the institutes of NASU														405	- training materials for on-line distance learning system will be developed for export control staff as well as for project leaders and other scientific staff	18
	5,1	Preparation of the in-class and on-line materials/tools to help institutes in the implementation of the ICP as well as to raise the awareness of scientists.	INR	0	0	0	0	270	135	0	0	0	0	0	0		Set of PowerPoint presentations, practical exercises and on-line tools published at the specialized website dedicated to the non-proliferation and export control at NASU	
6		Training activities for NASU and Universities, consultations														385	- seminars and other training sessions will be conducted; - the feedback from the participants of the conducted seminars and trainings will be analyzed; - training materials and practical exercises will be updated based on the feedback; - members of the ECG will be available for the phone and on-line consultations on export control and ICP related issues;	21
	6,1	Conducting 2 in-class seminars as well as on-line (via electronic forum) and phone consultations for the institutes	INR	0	0	0	0	0	135	250	0	0	0	0	0		Reports on the seminars including list of participants, agenda, evaluation forms, training materials, pictures. Brief report on ICP-related consultations/discussions.	
7		Preparation of the final report and assessment of the project results														250	- Summary report will be provided upon completion of the project, which includes a feedback from the institutes	24
	7,1	Sending questionnaires to institutes to estimate the results of the project. Preparation of the summary report.	INR	0	0	0	0	0	0	0	250	0	0	0	0		Final summary report.	
Total Work Days:				270	270	270	270	270	270	250	250	0	0	0	0	2120		

270	270	270	265	265	265	265	250	0	0	0	0	2120
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Table 3. Personal Commitment / Таблица 3. Участь персоналу

#	Surname (in English)	First Name	Codes I-Code	Date of birth	W.Code	Place in Project	Acad. Rank	Daily Rate	Days												Total days	% of Time	Cost												Total Cost	
									Qtr1	Qtr2	Qtr3	Qtr4	Qtr5	Qtr6	Qtr7	Qtr8	Qtr9	Qtr10	Qtr11	Qtr12			Qtr1	Qtr2	Qtr3	Qtr4	Qtr5	Qtr6	Qtr7	Qtr8	Qtr9	Qtr10	Qtr11	Qtr12		
1	Davydovskyy	Volodymyr	1	26.09.1973	0	PM, TI	Doctor	50	55	55	55	55	55	55	55	55	0	0	0	0	440	88	2750	2750	2750	2750	2750	2750	2750	2750	2750	0	0	0	0	22,000
2	Anokhin	Igor	1	14.09.1963	0	GL, TI	PhD	50	55	55	55	55	55	55	55	55	0	0	0	0	440	88	2750	2750	2750	2750	2750	2750	2750	2750	2750	0	0	0	0	22,000
3	Bespalov	Serhii	1	04.07.1972	0	TI	Doctor	30	30	30	30	30	30	30	30	23	0	0	0	0	233.3	47	900	900	900	900	900	900	900	900	899	0	0	0	0	6,999
4	Borkovskiy	Vasyl	1	05.12.1957	0	CT	Specialist	30	20	20	20	15	15	15	15	13	0	0	0	0	133.4	27	600	600	600	600	450	450	450	450	402	0	0	0	0	4,002
5	Hladkovskiy	Volodymyr	1	14.08.1990	0	TI	PhD	30	30	30	30	30	30	30	30	23	0	0	0	0	233.3	47	900	900	900	900	900	900	900	900	699	0	0	0	0	6,999
6	Mykhailovskiy	Vitaliy	1	03.07.1995	0	TI	PhD	30	20	20	20	20	20	20	20	20	0	0	0	0	160	32	600	600	600	600	600	600	600	600	600	0	0	0	0	4,800
7	Tsybal	Ludmyla	1	10.10.1956	0	TI	Engineer	30	20	20	20	20	20	20	20	20	0	0	0	0	160	32	600	600	600	600	600	600	600	600	600	0	0	0	0	4,800
8	Slisenko	Vasyl	1	23.06.1951	1.1	TI	Academician	30	20	20	20	20	20	20	20	20	0	0	0	0	160	32	600	600	600	600	600	600	600	600	600	0	0	0	0	4,800
9	Lypaska	Alla	1	18.11.1962	0	TI	Doctor	30	20	20	20	20	20	20	20	20	0	0	0	0	160	32	600	600	600	600	600	600	600	600	600	0	0	0	0	4,800
																					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
																					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
																					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
																					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
																					2120		10300	10300	10300	10300	10150	10150	10150	10150	9700	0	0	0	0	81,200

Short Institution Name	I-Code	Total People																																	
INR	1	9	Total:	270	270	270	265	265	265	265	250	0	0	0	0	0	0	0	0	0	2120		10300	10300	10300	10150	10150	10150	10150	9700	0	0	0	0	81200
	2	0	Total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	3	0	Total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	4	0	Total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	5	0	Total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	6	0	Total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	7	0	Total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	8	0	Total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	9	0	Total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	10	0	Total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FWS:	Total	1	Sub-total(FWS:)	20	20	20	20	20	20	20	20	0	0	0	0	0	0	0	0	0	160		600	600	600	600	600	600	600	600	0	0	0	0	4800
NFWS:	Total	8	Sub-total(NFWS:)	250	250	250	245	245	245	245	230	0	0	0	0	0	0	0	0	0	1960		9700	9700	9700	9550	9550	9550	9550	9100	0	0	0	0	76400
Total:	Total	9	Grand Total:	270	270	270	265	265	265	265	250	0	0	0	0	0	0	0	0	0	2120		10300	10300	10300	10150	10150	10150	10150	9700	0	0	0	0	81200

Project Codes: PM - Project Manager, PIM - Participating institution manager, GL - Group leader, EI - Experimental investigation, TI - Theoretical investigation, TD - Technology development, DN - Designing, SL - Simulation, CT - Consultation, TL - Translator, LA - Laboratory assitant, SP - Support person,

Table 7. Travel / Таблица 7. Відрядження

#	Country of Destination	City	Inst.	People	Institute of Destination	Purpose of Travel	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Total	
International																				
																				0
																				0
																				0
Total International Costs:							0	0	0	0	0	0	0	0	0	0	0	0	0	0
Domestic																				
																				0
																				0
																				0
Total Domestic Costs:							0	0	0	0	0	0	0	0	0	0	0	0	0	0

Summary	
International:	0
Domestic:	0
Total:	0

Table 8. Financial Summary / Таблица 8. Зведена фінансова інформація

#	Item	Qtr1	Qtr2	Qtr3	Qtr4	Qtr5	Qtr6	Qtr7	Qtr8	Qtr9	Qtr10	Qtr11	Qtr12	Total
1	Days - FWS	20	20	20	20	20	20	20	20	0	0	0	0	160
2	Days - NFWS	250	250	250	245	245	245	245	230	0	0	0	0	1,960
	Total Days:	270	270	270	265	265	265	265	250	0	0	0	0	2,120
1	Grants - FWS	600	600	600	600	600	600	600	600	0	0	0	0	4,800
2	Grants - NFWS	9700	9700	9700	9550	9550	9550	9550	9100	0	0	0	0	76,400
3	Grants total:	10300	10300	10300	10150	10150	10150	10150	9700	0	0	0	0	81,200
4	Equipment	3200	0	0	0	0	0	0	0	0	0	0	0	3,200
5	Materials	1056	0	0	0	0	0	0	0	0	0	0	0	1,056
6	Other Direct Costs	0	0	0	0	4000	4000	0	0	0	0	0	0	8,000
7	Travel International	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Travel Domestic	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Travel Total:	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Non-Labor Expenses:	4256	0	0	0	4000	4000	0	0	0	0	0	0	12,256
11	Total Expenses:	14556	10300	10300	10150	14150	14150	10150	9700	0	0	0	0	93456
12	Overhead for the Institution	818	818	818	818	818	818	818	818	0	0	0	0	6544
13	Total Project Cost:	15,374	11,118	11,118	10,968	14,968	14,968	10,968	10,518	0	0	0	0	100,000

Overhead for the Institution(s):	7
Project duration (quarters):	8

Table 9. Financial Summary (Cumulative)

#	Item	Qtr1	Qtr2	Qtr3	Qtr4	Qtr5	Qtr6	Qtr7	Qtr8	Qtr9	Qtr10	Qtr11	Qtr12
1	Days - FWS	20	40	60	80	100	120	140	160	160	160	160	160
2	Days - NFWS	250	500	750	995	1240	1485	1730	1960	1960	1960	1960	1960
	Total Days:	270	540	810	1075	1340	1605	1870	2120	2120	2120	2120	2120
1	Grants - FWS	600	1200	1800	2400	3000	3600	4200	4800	4800	4800	4800	4800
2	Grants - NFWS	9700	19400	29100	38650	48200	57750	67300	76400	76400	76400	76400	76400
3	Grants total:	10300	20600	30900	41050	51200	61350	71500	81200	81200	81200	81200	81200
4	Equipment	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200	3200
5	Materials	1056	1056	1056	1056	1056	1056	1056	1056	1056	1056	1056	1056
7	Other Direct Costs	0	0	0	0	4000	8000	8000	8000	8000	8000	8000	8000
8	Travel International	0	0	0	0	0	0	0	0	0	0	0	0
9	Travel Domestic	0	0	0	0	0	0	0	0	0	0	0	0
10	Travel Total:	0	0	0	0	0	0	0	0	0	0	0	0
11	Non-Labor Expenses:	4256	4256	4256	4256	8256	12256	12256	12256	12256	12256	12256	12256
12	Total Expenses:	14556	24856	35156	45306	59456	73606	83756	93456	93456	93456	93456	93456
13	Overhead for the Institution	818	1636	2454	3272	4090	4908	5726	6544	6544	6544	6544	6544
14	Total Project Cost:	15,374	26,492	37,610	48,578	63,546	78,514	89,482	100,000	100,000	100,000	100,000	100,000

Annex II General Conditions

Part A Implementation of the work

Article 1	General provisions
Article 2	Justification of changes
Article 3	Monitoring of the Work
Article 4	Reports
Article 5	Completion or expiration of the agreement

Part B Payments

Article 6	Payments by the Center to the recipient(s)
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Part C Allowable costs

Article 7	Accounting principles, allowable costs, and transfer of costs
Article 8	Direct costs
Article 9	Overhead
Article 10	Retainage
Article 11	Costs not allowed

Part D Justification of cost and auditing

Article 12	Books of account and documentation
Article 13	Auditing

Part E Intellectual Property Rights

Article 14	Definitions
Article 15	Ownership and License rights
Article 16	Promotion of technology and information on results Confidentiality Information and technology promotion
Article 17	Reporting of inventions
Article 18	Notification of limitations, restrictions, and obligations
Article 19	Duration and implementation of Part E

Part A - Implementation of the work.

Article 1 - General provisions

1.1 The participating institutions shall make their best efforts to achieve the objectives of the project and shall comply with all Ukrainian laws applicable to the project.

1.2 The participating institutions shall, in particular, comply with all laws and regulations applicable to safety.

1.3 The recipient(s) shall notify the Center's project representative without delay of any event or circumstance which may materially affect the project.

Article 2 – Justification of changes

2.1 The project manager, on behalf of participating institutions, shall submit any required change in the original estimates of expenditures as set forth in Annex I.

2.2 The original estimates of expenditures may be adjusted by the project manager between categories with the prior approval of the Center, except for reductions in personnel costs, and provided that the transfers do not fundamentally alter the scope or content of the project.

2.3 The project manager may increase the time commitments of any individual by up to 10 percent during a quarter without approval of the Center but may not change any daily rate without approval of the Center. The project manager may request more significant changes in personnel commitments; including changes in the names of personnel. Such significant changes must be fully justified in writing. Changes in scientific personnel must provide for the new individual participants to have technical credentials and previous weapons experience comparable to those of the individual participants they replace.

2.4 The project manager may request changes in procurements, services, travels, or other direct costs, against estimated expenditures as set forth in Annex I. Significant changes must be fully justified in writing with references to the related activities in the technical schedule, and provided that the transfers do not fundamentally alter the scope or content of the project.

Article 3 - Monitoring of the work

3.1 The Center, or its representatives, shall:

(a) Have access to portions of facilities where the project is being carried out and to all equipment, documentation, information, data systems, materials, supplies, personnel, and services which concern the project for monitoring the progress of the project as described in Annex I.

(b) Be provided with technical and cost information concerning the management and progress of the project requested at any time.

(c) Give the institution not less than 20 days advance notice of any intended on-site monitoring of the project.

3.2 Each financing party, or its representatives, shall be entitled to the same rights as the Center under Article 3.1 of this annex should they choose to exercise them through the Center.

3.3 The participating institutions have the right to protect those portions of facilities that are not related to the project.

3.4 After completion or termination of the project, the participating institutions may utilize the facility or portion of the facility previously used for the project for other work. However, all documentation and records, including those associated with equipment, data systems, materials, supplies, and services utilized on the project must be maintained and made available for review by the Center, the financing parties, or their representatives, for two years following the project's completion or termination.

3.5 The coordinating institution shall, if requested by the Center, participate and assist in meetings to review or evaluate the project during the lifetime of the project.

Article 4 - Reports

4.1 The recipient(s), represented by the project manager, shall submit the following reports, in English and Ukrainian (Russian optional, if the project is located in other CIS State), in hard copy and in electronic format on disk (Microsoft Word and Excel), to the Center for approval:

- (a) Periodic cost statements and progress reports, as required in Articles 6 and 7 of the agreement;
- (b) Technical reports containing a description of the significant results according to the Milestones defined in the work schedule (see section 9 of Annex I);
- (c) Annual reports, as required in Article 7;
- (d) A final report suitable for publication, covering all the work, objectives, results, and conclusions of the project, including a suitable summary of all these aspects, and
- (e) Reports, as mutually agreed, prepared in a suitable form for publication and satisfactory to the Center.

4.2 The recipient(s), represented by the project manager, shall submit all reports and other deliverables specified in the agreement.

4.3 The recipient(s) should clearly identify and mark any reports or portions of reports that contain confidential business information as defined in Part E, Article 14.4 of this annex. The recipient(s) also may include a suitable disclaimer in any report against possible claims by third parties.

Article 5 - Completion or expiration of the agreement

5.1 The agreement shall be deemed to be completed on the approval by the Center of the last deliverable required or last payment by the Center, whichever shall be the latter.

5.2 Subject and without prejudice to the provisions in Part D of this annex, the participating institutions shall be deemed to have discharged their obligations in respect of the performance of the work after the approval of all the reports and any other deliverables required by the agreement.

Part B - Payments

Article 6 - Payments by the Center

Payments of allowable costs shall be made in accordance with the following principles:

6.1 Within Ukraine, all cash payments will be made in the national currency of Ukraine. Conversion of US dollars or Euro to the national currency of Ukraine will be according to the Interbank Rate of Ukraine exchange rate.

6.2 The financial contribution by the Center shall be paid in installments as specified in Article 5 of the agreement.

6.3 If the Center considers that the work has not effectively been commenced within three months of the payment of the first advance, the Center may require the reimbursement of the advance, together with any interest earned on the advance.

6.4 If on completion, cessation, or termination of the work, the payments made by the Center exceed the actual allowable costs, the participating institutions shall promptly reimburse the difference to the Center. Interest may be added to this amount at the prevailing market rate as determined by the Center one month after the reimbursement date specified by the Center.

Part C - Allowable costs

Article 7 - Accounting principles, allowable costs, and transfer of costs

7.1 Costs shall include actual costs incurred for the project after the operative commencement date which are necessary for the performance of the project. Allowable costs may include only the cost categories defined in Articles 8 and 9 of this annex.

7.2 The participating institutions shall ensure that no unnecessary cost or unnecessarily high or extravagant cost is charged to the agreement.

Article 8 - Direct costs

8.1 Personnel

8.1.1 Personnel costs shall be separated into two categories as described in Annex I. Even though some or all of these costs may be reimbursed by the Center through direct grant payments to individual participants, the project manager or participating institution manager is responsible for certifying the times devoted to the project by the individual participants within their respective institutes, as reflected in project time cards prepared by individual participants.

8.1.2 Personnel costs charged to the project shall be in increments of one hour.

8.1.3 Personnel costs for a specific period of time may not be charged to this project if pay (except regular employment salary from the Institute/Recipient) is being received from other sources for the same period of time.

8.1.4 The Center will not pay personnel costs associated with holidays, vacations, overtime, or sick leave. Such additional costs, if any, are the responsibility of the participating institutions.

8.1.5 The project manager or participating institution manager shall ensure that the scheduling of annual leave by the individual participants does not interfere with accomplishment of the work plan in Annex I.

8.1.6 The participating institutions are responsible for any medical expenses or compensation claims for injuries or other losses for personnel working on the project which are directly or indirectly related to the project.

8.1.7 Individual participants must record the hours worked on STCU projects on time cards according to the following procedures:

Project Manager and Participating Institution Manager Responsibilities

Project managers and Participating Institution Managers are required to do the following:

- i. Provide project participants with a separate time card for each STCU project that they will work on. Each time card must contain a project number.
- ii. Ensure that project participants understand which time card must be used to record hours worked on each project.
- iii. Ensure that all project participants correctly record the hours worked on STCU projects according to the procedure described in the project participant responsibilities section below.
- iv. Transmit completed time cards to the STCU no later than the 10th of each month.
- v. Control blank time cards provided by the STCU.
- vi. Certify that the hours recorded on the time cards are true and accurate by signing them.
- vii. Obtain signatures of two other project participants on their own (project managers' and participating institution managers') time cards in addition to their own signature.

Project Participant Responsibilities

Project participants are required to do the following:

- i. Complete a separate time card for each STCU project that they work on. Time cards are for a period of one month.
- ii. Personally complete their time cards **each working day and in ink**.
- iii. Correct time cards by crossing out mistakes and inserting the correct information on the next line; no erasures may be made to time cards. Project workers must initial the corrections.
- iv. Sign their own time cards at the end of each month.
- v. Record actual hours worked on their own timecard.
- vi. Certify, on an as needed basis, that the hours recorded on the time cards of the project manager or participating institution manager are true and accurate by signing their cards.

8.1.8 Payments to individual participants will be based on properly completed time cards as described in Section 8.1.7 above.

8.1.9 The Center will provide blank time cards for use on this project. Such time cards will be printed on card stock and will be serially numbered. Only time cards provided by the STCU may be used to record hours worked on STCU projects; photocopied time cards are not acceptable.

8.1.10 Project participation is limited as described in the STCU Standard Operating Procedure XXIV – Project Participation in STCU Projects: A copy of the this procedure may be obtained on the STCU's website at the following address:

<http://www.stcu.int/documents/internal/sop/sop07.php>

8.2 Equipment

8.2.1 The cost of equipment used in the project, which is purchased, fabricated, or leased, may be charged to the project as a direct cost. The total lease costs may not exceed the purchase price of the equipment.

8.2.2. Equipment purchased for the project should be identified as described in the STCU Standard Operating Procedure XXIII - Identification of Equipment Purchased for Stcu Projects. A copy of the this procedure may be obtained on the STCU's website at the following address:
[http://www.stcu.int/documents/reports/financial/Forms_Common_For_All_Countries/SOP_XXIII_Identification_of_STCU_Equipment_at_Project_Site_\(Russian\).pdf](http://www.stcu.int/documents/reports/financial/Forms_Common_For_All_Countries/SOP_XXIII_Identification_of_STCU_Equipment_at_Project_Site_(Russian).pdf).

8.3 Materials

8.3.1 The costs of materials required for the project shall be allowable costs.

8.4 Services and Other direct costs

8.4.1 Costs associated with (1) testing facilities, (2) computer services, (3) communication, (4) security services, (5) repairing/maintenance of equipment, (6) laboratory tests outside, (7) publications, and (8) patenting, but excluding items covered by Article 11 of Annex II, may be charged as direct costs to the project through cost allocation formulas approved by the Center, provided such facilities and services contribute to the project and are accessible for monitoring and auditing in accordance with Article 9 of this agreement.

8.5 Travel and per diem

The following travel costs may be charged to the project:

- i. Airline Tickets. Reimbursement is limited to the cost of coach or economy class airfare by the most direct, cost-effective routing.
- ii. Train Tickets. Reimbursement for first class rail fare is authorized.
- iii. Lodging.
 - A. Within Country of Residence, reimbursement is limited to the lower of the actual cost or \$100.00 (taxes not included) per day.
 - B. Outside Country of Residence, reimbursement is limited to the lower of the actual cost or the maximum amount allowed in the U.S. Joint Travel Regulations (taxes not included). If lodging is pre-arranged for the traveler because of conference participation funded by the STCU, then the maximum amount allowed in the U.S. Joint Travel Regulations may be exceeded by up to 25% (taxes not included). In those exceptional cases where there are no accommodations available within the maximum amount allowed or accommodations are unacceptable, then the most cost-effective accommodation is authorized with prior approval of the responsible Deputy Executive Director. Maximum lodging rates outside of a country of residence may be obtained from the STCU treasurer or at <http://www.state.gov/m/a/als/prdm/xxxx>¹
 - C. Lodging without receipt is not compensated.
- iv. Meals and Incidental Expenses (M&IE).
 1. Within Country of Residence, the M&IE is \$35.00 per day.

¹ Where "xxxx" is the year the travel will begin. For example: 2004.

2. Outside Country of Residence, the M&IE is \$50.00 per day.

- v. Other Costs. Actual cost of passports, visa, or conference registration is authorized with receipt. Withdrawal fees accepted by the STCU.
- vi. Use of Privately Owned Vehicle. Reimbursement for the use of a privately owned vehicle to perform travel is authorized at the rate of \$.15 per kilometer. Records must be kept for this activity, including destination and kilometers traveled, and odometer readings. Documents must be signed and approved by project manager.
- vii. Local Travel. Reimbursement for the actual cost of local travel (taxi, bus, etc.) is authorized. Receipts must be obtained.

8.5.1 Additional Travel and per diem information is contained in STCU Standard Operating Procedure V – Project Participants Travel. A copy of the this procedure may be obtained on the STCU’s website at the following address:

<http://www.stcu.int/documents/internal/sop/sop05.php>.

Article 9 - Overhead

9.1 A fixed amount may be charged for project overhead to cover the cost of such items as general administration, institutional management, depreciation of buildings and equipment, maintenance, utilities, staff training or any other cost at discretion of the institute management.

9.2 The total fixed amount may not exceed 10 percent of total direct costs, exclusive of the cost of items provided in-kind by the Center.

Article 10 - Retain age

One half of the direct overhead costs will be retained by the Center until project completion.

Article 11 - Costs not allowed

Allowable costs shall not include:

- (a) Profit;
- (b) Contributions to pension, medical, or other social funds;
- (c) Provisions for possible future losses or liabilities;
- (d) Taxes, including profit tax, value added tax, personal income tax, local taxes, tariffs, dues, customs duties, import duties, or others; and
- (e) Costs allocable to another project.

Part D - Justification of costs and auditing

Article 12 - Books of account and documentation

The participating institutions shall maintain, in accordance with the accounting practices set forth in the agreement, proper books of account and appropriate documentation, such as invoices and time cards, to

support and justify the costs reported. These shall be made available for audit by the Center and the financing parties during the period of the project and for a period of two years following completion, cessation, or termination of the project.

Article 13 - Auditing

13.1 Cost statements are subject to verification even after the Center has reimbursed costs. The Center and each financing party have the right, pursuant to the STCU agreement and STCU statute, to carry out on-site audits of all activities of the project. The participating institutions will be given not less than 20 days notice of any intended audit. For the purposes of the audit, the participating institutions shall make accessible all portions of facilities, equipment, documentation, information, data systems, materials, supplies, personnel, and services related to the project.

13.2 The participating institutions have the right to protect those portions of facilities that are not related to the project.

13.3 The participating institutions shall maintain all documentation and records, including those associated with equipment, data systems, materials, supplies, and services utilized on the project and shall make such documents, records, and to the extent possible, personnel available for audit for a period of two years following completion, cessation, or termination of the project.

13.4 The Center and the financing parties shall have the right to select audit organizations or individuals to carry out audits of the project. These individuals selected by the financing parties shall be entitled to the same rights, should they choose to exercise them, as the Center and each financing party in respect of access to, and verification of, any document under the agreement for the purpose of any audit.

Part E - Intellectual Property Rights

Article 14 - Definitions

14.1 Intellectual Property Rights: Rights within the meaning of Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm on July 14, 1967.

14.2 Business Confidential Information: Information containing know-how, trade secrets, or technical, commercial, or financial information, which:

- (i) Has been held in confidence by its owner;
- (ii) Is not generally known or available from other sources;
- (iii) Has not been made available by its owner to others without an obligation concerning its confidentiality; and
- (iv) Is not available to the receiving party without obligations concerning confidentiality.

Article 15 - Ownership and License rights

15.1 The recipient entity(ies) (or its designee) shall hold all rights worldwide to intellectual property arising from this agreement, except for the rights in the Financing Party's territory enumerated in paragraph 15.2 below. The recipient entity(ies) (or its designee) shall provide adequate protection of such intellectual property (except as provided below). The Financing Party (or its designee) may, if requested, provide assistance to the recipient entity(ies) in managing the intellectual property. If the recipient entity (or its designee) decides not to protect the intellectual property in the territory of a Party other than the recipient

entity's territory, each such Party and the Financing Party (or its designee) have the option to protect the intellectual property in that territory in conformance with the laws of the recipient entity's territory.

15.2 In the territory of the Financing Party, the Financing Party (or its designee) has the Intellectual Property Rights arising from this agreement. In such cases, the Financing Party (or its designee) and recipient entity(ies) (or its designee) shall agree on appropriate compensation for persons named as the inventors or authors of the intellectual property. Costs of protecting intellectual property in that territory shall be borne by the Financing Party (or its designee). If the Financing Party (or its designee) does not seek protection for intellectual property in its territory within a reasonable time after such intellectual property is created and duly reported in accordance with Art. 17.2, then the recipient entity (or its designee) may seek protection in the Financing Party's territory.

15.3 Each Party and the Center shall be entitled to a non-exclusive, irrevocable, royalty-free license with right to sublicense in all countries to translate, reproduce, and publicly distribute scientific and technical journal articles, reports, and books directly arising from this agreement. All publicly distributed copies of a copyrighted work arising from cooperation under this agreement shall indicate the names of the authors of the work unless an author explicitly declines to be named.

15.4 Upon the request of the Financing Party (or its designee), the Recipient Entity(ies) (or its designee) shall enter into negotiations for licenses in additional territories on fair and reasonable terms.

15.5 Upon the request of a Non-financing Party (or its designee), a non-exclusive license for commercial purposes, with the right to sub-license, shall be granted in that Non-financing Party's territory, on fair and reasonable terms to be mutually agreed, taking into account that Non-financing Party's contribution to the establishment and operation of the Center; in this case, the Financing Party (or its designee) shall be entitled to a license on the same terms in that Non-financing Party's territory.

15.6 A non-exclusive, irrevocable, royalty-free license for non-commercial purposes, with the right to sublicense, shall be granted to the Center and to each Party (or its designee) for the territory of each Party in which the intellectual property is protected. Upon request, the Parties will exchange information on licenses and sub-licenses granted under this paragraph.

15.7 Persons named as inventors and authors shall receive and share among themselves reasonable compensation but not less than 15% of any royalties earned from licensing intellectual property by any entity obtaining rights to such intellectual property under this agreement.

15.8 The recipient entity(ies) shall grant on fair and reasonable conditions to any other entity receiving the right to exploit intellectual property arising from this agreement the rights to intellectual property and information arising outside this agreement and owned by the recipient entity(ies) necessary for such exploitation, provided that the recipient entity is free to grant rights to such intellectual property or information and that no major legitimate business interests of the recipient entity(ies) prevent the granting of such rights.

Article 16 - Promotion of technology and information on results

Confidentiality

16.1 All reports or portions of reports properly marked as invention information or Business Confidential Information shall be protected from public dissemination unless otherwise agreed by the signatory parties.

16.2 Subject and without prejudice to any rights and obligations under this agreement and in accordance with applicable laws and regulations, each signatory party agrees to keep confidential any invention information or Business Confidential Information communicated to it by the other signatory party or third parties in relation to the execution of this agreement, unless invention information so disclosed is or

becomes legitimately available to the receiving signatory party through other sources without any obligation concerning confidentiality.

Information and technology promotion

16.3 The Center and participating institutions shall take appropriate steps to publicize new developments so that third parties may become aware of opportunities to license technology developed with Center support. The final report, publishable under Article 4.1(d) of this annex, shall include adequate information on the results arising from the project, their availability and other aspects of relevance for potential users or interested parties.

16.4 The Center shall be entitled to publish general information on this agreement including the identity of the recipient entity(ies), the title and objective of the agreement, its estimated costs and duration, the Center's financial contribution, and the names of managers and laboratories where the research is being carried out.

16.5 Any communication or publication concerning the project shall acknowledge the participating institutions and the cooperative support of the Center and of the Financing Parties.

Article 17 - Reporting of inventions

17.1 The recipient entity(ties) will disclose without delay to the Executive Director of the Center, who will inform the STCU Parties and any other participating institutions in a Center-approved form, every invention made or conceived under this agreement within two (2) months of the date on which such invention is made or conceived. These disclosures must be in sufficiently complete detail to convey a clear understanding, to the extent known at the time of disclosure, of the nature, purpose and operation of the invention.

17.2 The recipient entity(ies) will notify the Executive Director of the Center, who will inform the STCU Parties, of each territory in which the recipient entity(ies) decides to protect inventions through patenting within six (6) months of the reporting of such inventions in accordance with Article 17.1 above.

17.3 The recipient entity(ies) will file patent applications in each territory in which it decides in accordance with Article 17.2 above to protect each invention through patenting. The first patent application will be filed in the territory where the invention was made within twelve (12) months of reporting the invention in accordance with Article 17.1 above. The remaining patent applications will be filed in the other territories within respective time periods to ensure that the priority date of the first patent application is obtained for these later filed applications. The recipient entity(ies) will provide the Center with copies of all patent applications which recipient entity(ies) files.

17.4 If the recipient entity(ies) subsequently determines not to file a patent application in any territory of a STCU Party in which it has previously decided in accordance with Article 17.2 above to protect an invention, then said STCU Party may obtain title to that invention and file a patent application in that territory. The determination not to file shall be transmitted to such STCU Party no later than two (2) months prior to the end of the time periods for filing patent applications set forth in Article 17.3 above.

Article 18 - Notification of limitations, restrictions and obligations

18.1 The participating institutions shall use reasonable care and diligence in determining whether information or patents are, or may become, subject to the limitation, obligations, or restrictions of this article.

18.2 The participating institutions shall notify the Center prior to the signature of, and promptly during this agreement of:

(a) Any obligation to grant rights for the intellectual property arising under this agreement to a third party, which may affect the exploitation or commercialization of the results of this agreement; and

(b) Any restriction arising from contractual obligations or government or similar regulations which may materially and adversely affect rights necessary for the performance of the work or the exploitation or commercialization of the results of this agreement.

Article 19 - Duration and implementation of Part E

19.1 The rights and obligations of the recipient entity(ties) resulting from this part of this annex shall apply:

(i) For the duration of the Intellectual Property Rights in respect of Articles 15.1, 15.2, 15.6, 15.7 and 15.8; and

(ii) For a period of 10 years after the expiration, or termination, of this agreement in respect of the remaining obligations.

19.2 The cessation of the rights and obligations under this article shall not affect the continuance of any access rights where they were duly requested prior to such cessation.

Annex III Formats for Progress and Technical reports

Format for Progress reports

Quarterly reports shall specify the progress, any actual or proposed deviations and modifications to the technical plan in Annex I. The reports shall contain sufficient information to enable assessment of the progress and cooperation within the project. A suggested format for quarterly reports is as follows:

1. Project title and number
2. Date
3. Name of project manager
4. Name of institution
5. Summary of progress by task in the technical plan (Section 9 of Annex I), being executed in current quarter
6. Current status (on schedule, behind schedule, ahead of schedule). Specifically list actual milestones accomplished
7. Summary of personnel commitments
8. Information about major equipment and materials acquired, other direct costs, related to the project
9. Description of significant travel
10. Delays, problems, suggestions

The quarterly report should be between three and five pages

Format for Cost reports

Participating institutions shall prepare quarterly Cost reports. The recipient shall aggregate the reports from all participating institutions and prepare a consolidated report. Format for Cost reports will be provided by the Center.

Format for Technical reports

Technical reports shall be provided to the Center should contain the following information:

1. Project title and number
2. Date
3. Name of project manager
4. Name of institution
5. Title and Abstract of milestone accomplished. Detailed description of significant results, illustrated with graphs, diagrams drawings, photo, etc. Specifically pointed the correspondence or difference (in the last case explain the reason) of actual versus planned results, what this means for the project as a whole

The technical report should be between five and ten pages.

- Format for annual reports will be given individually