

Working 15 Years...



SCIENCE & TECHNOLOGY
CENTER IN UKRAINE



...For a Safer and Better World

31ST MEETING OF THE STCU GOVERNING BOARD

National Technical University of Ukraine
"Kyiv Polytechnic Institute"

November 18, 2010
Kyiv, Ukraine

*Science and Technology
Center in Ukraine*

15

Anniversary





SCHEDULE
STCU ADVISORY COMMITTEE MEETING
STCU 15TH ANNIVERSARY
31ST STCU GOVERNING BOARD MEETING

16 November

Arrival of delegates and guests

Radisson SAS Hotel
22, Yaroslav Val St., Kyiv
phone: + 38 044 492-2200,
fax: + 38 044 492-2210
www.radissonsas.com

17 November

STCU Advisory Committee Meeting

Venue:
National Technical University of Ukraine
“Kyiv Polytechnic Institute”
Building #6
Administrative conference-room
Peremogy avenue, 37

09:30 – 13:00 Meeting of the Advisory Committee
11:00 – 11:15 Morning coffee break
12:30-13:00 Lunch
13:00-14:00 Targeted Initiatives Meeting

STCU 15th Anniversary Opening Ceremony

Venue:
National Technical University of Ukraine
“Kyiv Polytechnic Institute”
Building #1,
KPI Grand Conference-hall
Peremogy avenue, 37

16:00-17:30 – Opening Ceremony

**STCU 15th Anniversary Reception
STCU Projects Exhibition**

Venue:

National Technical University of Ukraine

“Kyiv Polytechnic Institute”

Building #6,

Technical Museum ,

Peremogy avenue, 37

17:30 - Reception on the occasion of STCU 15th Anniversary
Gallery of STCU Projects

November 18

STCU 31st Meeting of the Governing Board

Venue:

National Technical University of Ukraine

“Kyiv Polytechnic Institute”

Building #6

Administrative conference-room

Peremogy avenue, 37

09:30 – 17:00 31st Meeting of the Governing Board

11:30 – 11:45 Coffee break

12:45 – 13:15 Lunch at “Alma Mater” Café

13:15 – 17:00 Governing Board Meeting continues

14:45 – 15:00 Coffee break

Friday, November 19

Delegations depart or work on their schedules



AGENDA
31st Meeting of the STCU Governing Board
 Kyiv Polytechnic Institute, Kyiv, Ukraine
 18 November 2010

1. Opening Session

- | | | |
|-----|--|------------------------------|
| 1.1 | Opening Remarks from the GB Chair | (Chairman, Governing Board) |
| 1.2 | Welcome from the Executive Director | (Andrew Hood) |
| 1.3 | Opening Remarks from other GB Members/Invited Guests | (GB Members/Other Officials) |

2. Administrative Topics

- | | | |
|-----|--|--|
| 2.1 | Adoption of the Agenda | |
| 2.2 | Approval of the Minutes of the 30 th GB Meeting (27 May 2010, Tbilisi, Georgia) | |
| 2.3 | Decisions on STCU Management Nominations | |

3. Morning Session

- | | | |
|--------|---|----------------------------------|
| 3.1. | Executive Director Report | (Andrew Hood) |
| 3.2. | Strategic Planning/Future Activities Update | (AC Chair) |
| 3.3. | 2011 Budget Request Discussions | (Andrew Hood/Curt "BJ" Bjelajac) |
| 3.3.1. | Update on 2010 AOB/SB Expenditures | (Curt "BJ" Bjelajac) |
| 3.4. | Update on 2011 Financial Audit Tender | (Anthony Nichol) |

4. Review of Draft Record of Decisions (GB Members)

5. Review of Draft Project Funding Sheet (GB Members)

6. Review of Draft Press Statement (GB Members)

Lunch

7. Afternoon Session

- | | | |
|-----|--|-------------------|
| 7.1 | Modernization and Development of S&T Sector in Georgia | (Mariam Gersamia) |
| 7.2 | Sustainability Program Updates | (Victor Korsun) |
| 7.3 | Nuclear Forensics TRP Update | (Victor Korsun) |
| 7.4 | Targeted Initiatives Update | (Igor Lytvynov) |
| 7.5 | Canadian Partner Promotion Update | (Landis Henry) |
| 7.6 | Seminars/Workshops/EU Partner Promotional Mission Update | (Michel Zayet) |



8. Closing Session

- | | | |
|-----|--|-----------------------------|
| 8.1 | Decision on Date and Location for 32 nd GBM | (GB Members) |
| 8.2 | Final Issues/Statements from GB Members | (GB Members) |
| 8.3 | Closing Remarks/Adjournment | (Chairman, Governing Board) |



Executive Director Report (Reporting Period: June 2010 to November 2010)

Major Issues

Closing of Uzbek Operations

As reported to at the 30th GBM, STCU saw no change in its situation in Uzbekistan, and so during the month of June, the STCU Secretariat worked with its Regional Officer in Tashkent to close down the STCU Regional Office. STCU no longer has a presence within Uzbekistan, although Uzbekistan is still an STCU Party given that the Uzbek government has not officially withdrawn from the STCU Establishing Agreement.

The Regional Officer vacated the office premises in the Presidium building of the Academy of Sciences of Uzbekistan, leaving behind practically all of the office furniture and equipment for the Academy to use as it wished (STCU Management decided that the office furniture and equipment was too old to be worth trying to bring out of Uzbekistan, so the physical equipment was written off as excess).

The Regional Officer also assisted the Executive Director in officially terminating (due to *force majeure*) the 6 remaining STCU projects in Uzbekistan that had been in a suspended status since late 2007. The six approved and funded Uzbek projects—4 Regular and 2 Partner Projects, together totaling approximately US\$1.13 million and €130,000—were suspended because the Uzbek state bank authorities did not allow project funds to be transferred to the Uzbek project participants, yet the Uzbek project managers never provided a written request to officially terminate their projects.

Finally, the Regional Officer's contract was allowed to expire, as scheduled, on 30 June 2010.

The Executive Director and DED (US) were in contact with the science section of the U.S. Embassy in Uzbekistan, in an attempt to insert the STCU issue into the talking points of on-going US-Uzbek bilateral discussions S&T cooperation discussions. But the STCU was not raised during the most recent U.S. - Uzbek bilateral meeting the Executive Director knows of, which took place in the latter half of June.

Aftermath of Russian Announcement on Withdrawal from the ISTC

Like many others, STCU became aware of the publication of the 11 August 2010 Russian Federation Presidential Decree announcing the Russian Federation intention to withdraw from the ISTC Establishing Agreement and its Protocol on Provisional Entry into Force. Shortly after this decree was published in the Russian news media, SDED (Ukraine) Igor Lytvynov was asked to meet with the leaders of the new Ukrainian State Committee on Science, Technology, Innovation, and Informatization to discuss the STCU role in Ukraine, its contributions, and its future activities.

The apparent result of this meeting was a letter from the State Committee Head, Vladimir Semnozhenko, to the STCU Executive Director. The letter stated the Committee's positive view of STCU, but its recognition that the situation in the STCU Recipient countries had changed and that new priorities and needs were emerging. The Committee view was that STCU needed to adapt to these new priorities, and the Committee was ready to engage in discussions with the other STCU Parties to determine new strategic directions for STCU. The



Committee was also prepared to participate in any discussions involving STCU and the fall-out from the Russian decision on ISTC (including discussions on consolidating ISTC programs into STCU as well as possible ISTC Recipient Party application to join STCU).

Given that the situation remained unclear as to what the next steps for ISTC would be in Russia, STCU management has tried to keep a neutral position on rumors about STCU's future or about ISTC-STCU merger scenarios. However, STCU management is sympathetic to the extreme difficulty that the ISTC executives and staff will experience in the coming weeks. After all, STCU has experience in managing sudden shut-downs of operations in its host country--specifically the 3 times that STCU had to suspend HQ office operations and projects in Ukraine due to *force majeure* caused by the disputes between the Ukrainian government and the private landlords of STCU's two previous HQ office buildings.

Update on STCU New Headquarters Office Building

As of now, there is no outward indication that construction of the promised new building for the STCU HQ offices has started. It is increasingly doubtful that the STCU will be able to relocate to its new permanent office facility by the January 2012, as was originally promised by the Ukrainian government.

Nevertheless, Kyiv Polytechnic Institute has stated that it has the permits and permissions to begin construction, and that the issue now is a matter of funding. With the recurring changes in governmental authority for STCU, there is a risk that more time will be needed to re-educate the new Ukrainian leadership about commitments made by the previous Ukrainian government. This may mean that state funds for starting construction of this new KPI building will not be forthcoming. STCU has committed itself to working with the KPI leadership in lobbying the Ministry of Education to ensure that sufficient funding for this new building is included in the near-term state budgets. But the Executive Director wishes to prepare the Governing Board for the possibility that was feared from the beginning: that the long-term commitment made by previous Ukrainian governments to build new, more suitable permanent offices for STCU will not materialize in the timeframe that the Governing Board conditioned its acceptance of the temporary offices that STCU now occupies.

Preparation of European AidCo Project Work Through STCU

Since October of last year, the STCU has been working with representatives of the European AidCo office to integrate AidCo project work cycle into the STCU administrative framework and project procedures. DED (EU) Michel Zayet is responsible for EU Party liaison and thus had primary responsibility for this integration effort. Three general project directions were suggested by AidCo: biosafety/biosecurity projects, nuclear forensics networking projects, and "centers for excellence" development projects.

The AidCo project on biosecurity upgrades at the Ukrainian Anti-Plague Station (UAPS) in Simferopol (Crimea) is the first such AidCo project to go through the STCU process. In an attempt to identify and resolve procedural questions, there have been a series of coordination meetings between AidCo officials, the DED (EU), and with the CFO and ED on the margins of the 30th GBM in Tbilisi. But in the opinion of the Executive Director, the central issue of syncing STCU and AidCo project approval processes still needs more work. Indeed, at the Tbilisi meeting, the Executive Director and Chief Financial Officer came away with the impression that the AidCo officers present did not grasp the STCU-required procedures for Governing Board approval of all project proposals (even in cases of where projects are funded solely by one Funding Party), or



the time necessary for any STCU project proposal (including AidCo proposals) to go through these STCU processes.

After the 13 October Advisory Committee meeting in Brussels, the AC members agreed to provide the Executive Director with their Parties' position on whether to have the STCU Secretariat sign the AidCo-provided Commitment Agreement for the Crimean biosecurity upgrade project (a 42 month/4 million euro project). One week later, both the United States and Canada AC members provided emails approving the Executive Director to sign this Commitment Agreement. However (and in another example where STCU does not understand the internal AidCo processes), while the Executive Director is ready to sign, AidCo project officers notified STCU that that the Commitment Agreement is still being reviewed by the AidCo project officers and financial offices.

Thus, as of 1 November, the STCU Secretariat has not yet signed the UAPS project commitment agreement, but is ready to do so once AidCo states that the document has been finalized and is ready for signature

The Executive Director is reporting these events to the all the Governing Board in order to highlight that while there is an eagerness to have STCU implement new AidCo projects, the integration of AidCo organization culture with the STCU culture is still a work-in-progress, and further education and practical experience is needed to develop a smoothly working system for processing future AidCo projects through STCU.

Other Party Issues

Changes in STCU Contacts with Ukrainian Government. Over the 2010 summer months, the S&T policy responsibility within the Ukrainian government was officially moved from the Ukrainian Ministry of Education and Science (now simply the Ministry of Education) to the State Committee on Science, Technology, Innovation, and Informatization. This Committee is now led by a former Ukrainian Vice Prime Minister, Vladimir Semenzhenko. STCU understands that this State Committee is now responsible for all S&T cooperation in Ukraine, and thus is responsible for Ukrainian government business with STCU. SDED (Ukraine) Igor Lytvynov has been in regular contact with this State Committee, particularly the deputy Committee head Dr. Boris Grynov (who was appointed as the new Ukrainian Governing Board member.

There are still many issues to be clarified with this State Committee. Because the Committee is new, it does not yet have a budget and is only now assuming full operational control over many issues and processes. Further, it is not yet fully clear what role the Ministry of Education still plays in STCU's world, as that Ministry (for the moment) is still responsible for providing the STCU HQ offices on behalf of the Ukrainian government. Thus, the Executive Director anticipates further questions arising in the future, such as the user agreement that was being negotiated between KPI and the Ministry of Education and Science for STCU's use of the temporary offices, and the fate of the 299,000 UAH in Ministry of Education and Science funds that STCU Secretariat continues to hold in past debt that was incurred by the Funding Parties when the Ukrainian government missed STCU HQ office rental payments in the late 1990s.

Reorganization of Georgian S&T Agencies. Officials of the Georgian National Science Foundation (GNSF) informed STCU that a decision had been taken by the Georgian government to reorganize its science agencies, resulting in the merger of the GNSF with the "Foundations in Humanities" by the end of August. The new Foundation will take over practically all duties and responsibilities of the GNSF once the merger is



complete. As the GNSF previously functioned as the main Georgian government contact for STCU, including responsibility for Georgian participation in the Targeted Initiative Program, a new cooperative relationship must be forged between STCU and this new Foundation. Due to this merger, the Georgians requested that STCU delay in signing the STCU-Georgian Targeted Initiative project agreements that were approved at the 30th GBM, until the beginning of October. Further, the anticipated 5th cycle of the STCU-Georgian TI cycle for 2010-2011 (which normally would have been kicked off by now) has also been delayed.

Disposition of Jointly Awarded INTAS Funds. On 16 June, DED (EU) Michel Zayet joined ISTC Executive Director Adriaan van der Meer to make a joint ISTC-STCU presentation to the General Assembly of INTAS. As part of the final liquidation phase of the INTAS program, the General Assembly was considering how to dispose of approximately 4 million euros in remaining programs funds. The Assembly decided to award approximately 1 million euros jointly to ISTC and STCU.

But the ISTC-STCU proposal package did not anticipate a lump-sum award; it anticipated that the General Assembly would select individual proposals from the ISTC-STCU submission. Thus, a disagreement between ISTC and STCU arose regarding the division of the 1 million euro award. The ISTC position was that the funds should be divided according to the split used in the European Commission Instrument for Stability (roughly 70% to ISTC, 30% to STCU). The STCU position was that the award should be divided equally between the two Centers. The STCU Executive Director informed the STCU Governing Board of this disagreement, and suggested that when the ISTC Governing Board rendered a decision on the ISTC Executive Director's proposal for using the INTAS funds, that the STCU Secretariat would accept the remainder of the INTAS funds.

But the ISTC Governing Board instead decided to ask the European Commission representatives to the INTAS General Assembly for a recommendation on the ISTC-STCU funding split. Unfortunately, the EC representative to the INTAS program (the Directorate General for Research) stated in a letter to the two Executive Directors that because (a) it was no longer involved in the ISTC or STCU, and (b) that the Assembly awarded the funds to both ISTC and STCU, that this matter should be resolved by the Centers themselves.

By 19 October, the ISTC and STCU had signed an agreement to split the INTAS donation in half, with half to support ISTC projects and the remaining half to support STCU projects. As of 1 November, the STCU is still waiting for the INTAS Liquidator to transfer the said funds to STCU.

Current Secretariat Activities

Internal Transfer of DED Program Responsibilities

During the internal STCU management deliberations on the 2011 budget requests, the Management Committee again debated staff levels versus current and projected staff workload. The Management Committee has differing opinions on what the STCU workload will be in the near future, with project workload likely to continue decreasing, but Supplemental Budget activities such as Party-sponsored travel and Partner Promotional missions likely to increase. The Management Committee reached consensus on taking two steps in order to adjust the Secretariat to what the Management felt were the most likely workload trends.



First, the ED approved the requests from the DED (Canada) and DED (EU) to provide each of them one staff member, using 2 of the 3 existing staff vacancies. Second, the Management Committee agreed to make each DED directly responsible for all programmatic activities specific to their individual home Parties, and thus some programs were moved between the DEDs so as to achieve that Party-specific management focus. For example, the DED (Canada) would now be directly responsible for all Canadian Party-Designated Supplemental Budget programs, such as the Biosafety/Biosecurity and Partner Promotion and Support programs. To cope with assuming full management responsibility of these Canadian programs, the DED (Canada) transferred the Targeted R&D Initiatives Program to the SDED (Ukraine) and transferred the Nuclear Forensics Targeted Research Program to the DED (US). The DED (EU) was already directly responsible for EU Party-specific programmatic directions, but will assume full responsibility for the new EU Partner Promotion and Support SB program.

The ED sent a letter to the Governing Board informing it of these steps, and soliciting any questions prior to the changes taking effect. No GB reaction was received, therefore the ED enacted the changes as of 1 September. The Management hopes that the additional staff, plus the new distribution of the program management responsibilities, will allow for a better focus on the specific interests of individual Funding Parties, as well as better balance the anticipated workload across the entire Secretariat.

Nuclear Forensics Targeted Research Program Update

The Nuclear Forensics TRP continued the project proposal development phase, with the Recipient Party participants developing STCU project proposals for review by the European, U.S., and Canadian donor agencies. At present, S&T research proposals have been submitted for consideration by U.S. DOE/NNSA, Lawrence Livermore National Laboratory, and the radiation protection bureau of Defense Research and Development Canada. Unfortunately, the anticipated 2 million euro infrastructure upgrade project from European AidCo was pulled, based on an apparent technical objection from EU Member States (AidCo was hopeful that it could return to the proposal next year). Discussions are also on-going with the Royal Canadian Mounted Police. All told, there is \$1 million USD pledged from the U.S. agencies for the S&T projects portion.

Targeted R&D Initiatives Activity Update

Azerbaijan. The fourth cycle of the STCU-Azeri call for proposal was launched on 7 April 2010. A total of 15 proposals have been submitted for Funding Party for consideration at the 31st GBM, expected in the May/June 2011 timeframe. At that GBM, it is anticipated that approximately \$900,000 (USD equivalent) will be approved and funded, with 50% of the project funding provided by the Azeri National Academy of Sciences and the remainder provided by the STCU Funding Parties.

Moldova. The second cycle of the STCU-Moldovan call for proposals was launched on 13 April 2010. A total of 13 proposals have been submitted for Funding Party consideration at the 31st GBM in the May/June 2011 timeframe. At that 31st GBM, it is anticipated that approximately \$300,000 (USD equivalent) will be approved and funded, with 50% of the project funding provided by the Moldovan Academy of Sciences and the remainder provided by the STCU Funding Parties.

Ukraine. The sixth Ukrainian TRDI cycle was completed at the 30th GBM in May, resulting in 12 projects being approved and funded, with \$358,088 USD plus 183,923 euros contributed by the Funding Parties and matched



by \$587,995 USD in funding from the National Academy of Sciences of Ukraine. The next (seventh) STCU-NASU Targeted Initiative cycle was kicked off on 15 July 2010 with the publication of the call for proposals. The deadline for final proposals submitted by the NASU to STCU, with Full Form proposals planned to be sent to the Funding Parties by 14 January 2011. Project selection will occur at the 32nd GBM, expected to be held in May/June 2011, and NASU again has pledged \$600,000 in co-financing the final selected projects..

Georgia. The fourth Georgian TRDI cycle was also competed at the 30th GBM in May, resulting in 11 projects being approved and funded, with \$255,872 USD plus 100,512 euros contributed by the Funding Parties and matched by \$381,509 USD in funding from the Georgian National Science Foundation. In connection with the merger of two Georgian scientific funds into one new fund, the management of Georgian National Science Foundation has asked that the operative commencement date of the GB-approved TI projects be delayed until 1 October 2010.

Partner Program/Sustainability Activity

Since the 30th GBM, new Partner Project funding continued at a slower but steady pace. STCU should see close to \$9 million USD in new Partner Project funding for the year. If that projection is met, it will be the third highest annual total of Partner Project funding in STCU history (following the 2006 and 2007 achievements). It also means that the 2010 Partner funding has changed the downward trend in new Partner Project funding of the previous two years.

But it is important to point out that new Partner Project funding is coming primarily from a single, large Governmental Partner: the DOE/NNSA GIPP program. Further, there has been a significant fall-off in Non-Governmental Partner activity this year, as compared to previous years. If the projections hold true, this will be the lowest level of new Non-Governmental Partner Project funding since 2004-2005; at that previous time, the Secretariat raised its concerns about the low-level of new NGP project funding and increased its efforts to recruit new non-governmental Partner interest and funding.

Project Agreement Processing

The STCU staff has worked hard to maintain the STCU internal performance goal of processing project agreements in as short a time as possible, with the average time to process the past 40 GB-approved projects being maintained at 90 days.

However, as cited in previous GB meetings, the STCU management is now paying closer attention to the total number of active STCU projects, as well as the types of projects being approved and started. Since 2004, the number of Regular Projects being approved has declined, while both Partner and Targeted Initiative Projects have taken increasing shares of the active project portfolio. For example, in 2004, the Governing Board approved 67 Regular Projects and 30 Partner Projects. In 2009, the Governing Board only approved 21 Regular Projects (including the 3 ISP projects), but approved 55 Partner Projects and 38 Targeted Initiative Projects. As of 1 November, there were 216 active projects (down from 227 active projects in October): 69 Regular Projects, 80 Partner Projects, and 67 Targeted Initiative Projects. As reported in the previous ED Report, internal surveys of the STCU staff suggest that Targeted Initiative Projects are roughly 25% less staff work than Regular Projects; Targeted Initiative Projects are also mostly daily grant payments only for the STCU (i.e., little or no procurement and customs clearing of equipment and materials) and are smaller in total



project budget size. By contrast, these same staff surveys found that Partner Projects are roughly 30% greater staff work than Regular Projects, and these Partner Projects can have quite large project budgets and compared to Regular Projects.

Given the project approval patterns of the Funding Parties, STCU could anticipate continued reductions in the number of active Regular Projects, possible slight increases in the number of Targeted Initiative Projects, with an unknown trend in Partner Projects, given the volatility of this project category.

	2006	2007	2008	2009	Jan –June 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010
Avg # of Active Projects per Month	220	247	242	219	219	223	223	227	224	216
Avg # of Days from GBM Approval to Project Signature	325	161	95	93	97	99	90	87	90	90
Min-Max # of Active Projects Over the Time Period	209-227	231-258	221-260	208-227	213 - 227					

Important Visitors/Meetings/Events

International Export Control Conference (Kyiv, 8-10 June). ED Andrew Hood and DED (US) Vic Korsun attended plenary sessions of this international conference, at the suggestion of the U.S. State Department. The conference was hosted by the State Department Office of Export Controls and Compliance, and included representatives from many countries around the world, plus international organizations such as the IAEA.

Consultation Meetings with EU Party and at CERN (Brussels and Geneva, 29 June – 15 July). DED (EU) Michel Zayet spent 2 weeks traveling to Brussels to hold consultation meetings with EC AidCo units and with DG Research units on future program activity through STCU. The meetings with AidCo were at the direction of the ED, who wanted more in-depth discussions with AidCo about integrating AidCo project lifecycle processes with the STCU project review/approval processes. DED Zayet also added on a consultation trip to CERN, to continue discussions about possible STCU involvement in CERN-Ukrainian cooperative project work.

Grant Writing Skills Workshops (Ukraine, Azerbaijan, Georgia, Moldova, 12-21 July). Following up the Governing Party request to include research proposal grant writing training in the 2010 STCU program plan, STCU organized a series of workshops for recipient scientists and others during July. The goal of these workshops was to help Recipient Party scientists in understanding what information, formats, and writing styles are useful in producing the best-quality proposals for competitive S&T research grant competitions (such as



the STCU Regular Project proposal process). DED (US) Vic Korsun and DED (EU) Michel Zayet accompanied STCU staff plus Prof. Ian Butler (Canada) and Dr. Helmut Holtbecker (European Union) during the period of these workshops. Prof. Bulter and Dr. Holtbecker made presentations to more than 250 scientists, and held personal consultations with some of the participating scientists.

Meeting between STCU and National Space Agency of Ukraine (Kyiv, 21 July). ED Andrew Hood met with the General Director of NSAU, Aleeskev and other senior NSAU officials to discuss further STCU-NSAU cooperation. In particular, there was general agreement on pursuing 3 cooperative directions: pursuing a Targeted Initiative-type of program (using, to start, whatever funds STCU received from the INTAS program liquidation), developing a STCU-sponsored/NSAU-focused Partnership Promotion mission to Canada and Europe, and integrating NSAU technology commercialization interests with ongoing STCU programs in S&T commercialization.

Participation in ISTC SAC Seminar on High-Energy Physics (Novosibirsk, RF, 31 Aug – 5 Sep). DED (EU) Michel Zayet led an STCU delegation to attend this ISTC Science Advisory Committee seminar.

STCU Promotional Event, “Nordic Innovation Initiative” (Stockholm and Gothenberg, Sweden, 6 Sep – 10 Sept). DED (EU) Michel Zayet led this STCU-sponsored promotional event in Sweden, continuing STCU cooperative efforts with the local Swedish embassy and Swedish scientific institutions to encourage more Ukrainian-Swedish S&T collaborations (and hopefully more Swedish Partner Projects). Some of the Ukrainian travel was supported using the Swedish supplemental travel funds that remain from Sweden’s past contributions to STCU.

Georgian Competitiveness Workshop (Tbilisi October 27-28). STCU sponsored a Georgian Competitiveness Roundtable Workshop: “How Can Georgian Scientific Developments Make Georgia More Competitive in the World” at Georgian Technical University, Tbilisi, Georgia. DED (US) Vic Korsun represented STCU at this workshop, which aimed to spark discussion of the types of strategic views and climate for economic development and competitiveness needed for Georgia to raise its competitiveness in today’s global knowledge economy.

Andrew A. Hood
Executive Director



Summary of 2011 STCU AOB & SB Requests

1



Summary of 2011 AOB

- Total AOB of \$1.68M compared with AOB of \$1.78M in '10. \$103.2K Decrease (5.80% Decrease).
- Recurring Costs of \$1.60M compared with \$1.70M in '10. 6.19% Decrease.
- Non-Recurring Costs of \$80.1K compared with \$77.98K in '10. 2.73% Increase.

2



AOB as % of Project Expenses

AOB Expenses

- 2011 Est. \$1.68M (12.4%)
- 2010 Est. \$1.60M (11.4%)
- 2009 Actual \$1.66M (10.4%)
- 2008 Actual \$1.55M (8.3%)
- 2007 Actual \$1.63M (8.4%)
- 2006 Actual \$1.75M (10.1%)

Project Expenses

- 2011 Estimated \$13.5M
- 2010 Estimated \$14.0M
- 2009 Actual \$15.9M
- 2008 Actual \$18.7M
- 2007 Actual \$19.3M
- 2006 Actual \$17.4M

3



AOB as % of Project & SB* Expenses

AOB Expenses

- 2011 Estimated AOB \$1.68M (11.3%)
- 2010 Estimated AOB \$1.60M (10.4%)
- 2009 Actual AOB \$1.66M (9.9%)
- 2008 Actual AOB \$1.55M (7.9%)
- 2007 Actual AOB \$1.63M (8.1%)
- 2006 Actual AOB \$1.75M (9.7%)

Project + SB Expenses

- 2011 Estimated \$13.5M + SB = \$1.4M = \$14.9M
- 2010 Estimated \$14.0M + SB = \$1.4M = \$15.4M
- 2009 Actual \$15.9M + SB = \$931K = \$16.8M
- 2008 Actual \$18.7M + SB = \$766K = \$19.5M
- 2007 Actual \$19.3M + SB = \$903K = \$20.2M
- 2006 Actual \$17.4M + SB = \$688K = \$18.1M

* Does Not Include Service Contracts or EU Expert Review & Advisors

4



Personnel - Local Grant Payments

- Total Cost of \$817.9K compared with \$806.4K in '10. 1.43% Increase.
 - One (1) position eliminated, resulting in savings of \$15.7K
 - Hirings of replacement staff in 2010 resulted in savings of \$7.0K
 - Minimum salary increase 5.0% and 0.0% one-time bonus as per compensation system adopted at Dec. 2003 GBM, resulting in total increase to budget line of \$34.2K

5



Personnel (cont.)

- Staff Training total Cost of \$70.0K compared with \$92.9K in '10. 24.7% Decrease.
 - MBA program eliminated
 - Budget allocated per dept. by # of professionals

6



Personnel

- Personnel Costs
 - 2010
 - '10 costs of \$1.03M (0.0% decrease over '09 – flat budget request)
 - 57.7% of total AOB
 - 2011
 - '11 costs of \$1.01M (1.1% decrease over '10)
 - 60.5% of total AOB

7



Travel

- Travel w/in CIS cost of \$100.0K compared with \$130.0K in '10.
 - 23.08% Decrease
 - Monitoring costs reduced because of smaller quantity of active projects

8



Travel (cont.)

■ Travel Costs

• 2010

- '10 costs of \$191.1K (14.8% decrease over '09)
- 10.8% of total AOB

• 2011

- '11 costs of \$156.1K (18.3% decrease over '10)
- 9.3% of total AOB

9



Office Operations

■ Telecommunications Services \$50K compared with \$60K in '10.

- 16.67% Decrease
- Decreased because of technology use (i.e. skype, inst. Mess., etc.)

■ Bus. Meetings & Conferences \$6K compared with \$14K in '10.

- 57.14% Decrease
- Decreased because no 15 year STCU anniversary event (\$8K)

10



Office Operations (cont.)

- Branch Office Overhead \$41K compared with \$59K in '10.
 - 30.51% Decrease
 - Decreased because closure of Tashkent and Dnipropetrvisk Offices

11



Office Operations (cont.)

- Office Operations Costs
 - 2010
 - '10 costs of \$349.3K (5.6% decrease over '09)
 - 19.6% of total AOB
 - 2011
 - '11 costs of \$317.8K (9.0% decrease over '10)
 - 19.0% of total AOB

12



Contracted Services

- Accounting and Auditing cost of \$79.9K compared with \$95.2K in '10.
 - 16.00% Decrease

13



Contracted Services (cont.)

- Contracted Services Costs
 - 2010
 - '10 costs of \$124.4K (4.2% increase over '09)
 - 7.0% of total AOB
 - 2011
 - '11 costs of \$96.9K (22.1% decrease over '10)
 - 5.8% of total AOB

14



Non-Recurring

- Computer Hardware cost of \$4.6K compared with \$24.8K in '10
 - 81.4% decrease
 - All HW currently meets STCU needs
- Computer Software cost of \$11.5K compared with \$19.2K in '10
 - 40.1% decrease
 - Largest cost is Navision annual maintenance fee

15



Non-Recurring (cont.)

- Vehicle Purchase cost of \$30K compared with \$0K in '10
 - Need to replace Peugeot (5 years old, with 160 Km)

16



Non-Recurring (cont.)

■ Non-Recurring Costs

- 2010
 - '10 costs of \$78.0K (37.60% decrease over '09)
 - 4.4% of total AOB
- 2011
 - '11 costs of \$80.1K (2.73% increase over '10)
 - 4.8% of total AOB

17



Summary of 2011 Shared SBs

- Total Gross Shared SB request of \$215.0K compared with \$251.0K approved in '10 (14.3% decrease).
 - Bus. Training/Sus. Support SB is \$150.0K of \$215.0K (70.0% of total Shared SBs)
 - All other shared SBs total \$65.0K

18



Shared Supplemental Budgets

- Bus. Train./Sus. Supp. cost of \$150.0K compared with \$136.4K in '10
 - 10.0% increase from '10
 - Events include:
 - TechConnect Summit
 - SATELLITE 2011
 - Seed Forums
 - "Tech Transfer, Finding Partners, Business Planning, and IPR" Seminar
 - Utilize Nerac search firm to conduct five (5) marketing analysis reports
 - Continue work with CTCOs and SMEs

19



Shared Supplemental Budgets (cont.)

- Patent Supp. cost of \$20.0K compared with \$43.0K in '10
 - 53.5% decrease from '10
 - Approve up to four (4) intl. patents in '11
- Institute Sustainability Supp. cost of \$0K compared with \$30.0K in '10
 - Line eliminated in '11, because of lack of interest in this activity

20



Shared Supplemental Budgets (cont.)

- Seminars/Workshop Support cost of \$45K compared with \$58.6K in '10
 - 23.2% decrease from '10
 - Two or Three workshops planned in '11
 - Follow-up to 2009 Nuclear Forensics Experts Workshop
 - Workshop which focuses on nuclear safety and proliferation-resistant nuclear energy issues

21



AOB Funding %

- As per the minutes of the A.C. meeting conducted on Dec. 5 & 6, 2000
 - All Party representatives agreed that the Parties would equally share twenty percent (20%) of the Administrative Operating Budget. However, the minimum share will be 5% of the 20%, i.e. with three Parties each pays at least 6.67%, if there are 4 Parties each will pay at least 5%
 - All Party representatives agreed that the remaining 80% will be allocated according to the projected next year's % throughput (grants, equipment, and overhead) for the Party's projects (regular and non-fee paying partner projects)

22



AOB Funding % (cont.)

- Projected throughput (grants, equipment, and overhead)* for 2011:

	U.S.**	Canada	European Union**	Total
Projected Project Expenses	\$2,995,814	\$1,337,138	***\$3,027,622	\$7,360,574
% Share of Project Expenses	40.70%	18.17%	41.13%	
	<u>80.00%</u>	<u>80.00%</u>	<u>80.00%</u>	
Distribution of 80%	32.56%	14.53%	32.91%	
Distribution of 20%	<u>06.67%</u>	<u>06.66%</u>	<u>06.67%</u>	
Calculated Sharing %s	39.23%	21.20%	39.57%	

* Does Not Include Projects approved at upcoming 31st STCU Governing Board

** Includes Non-Fee Paying Government Partners

*** Assumes €1 = \$1.30

23



AOB Funding % (cont.)

- Comparison - Actual Project Funding at GB 29 & 30:

	U.S.*	Canada	European Union*	Total
Actual Funding at GB 29 & 30	\$4,783,213	\$945,056	***\$4,374,723	\$10,102,9920
% Share of Actual Funding	47.34%	9.35%	43.30%	
	<u>80.00%</u>	<u>80.00%</u>	<u>80.00%</u>	
Distribution of 80%	37.88%	7.48%	34.64%	
Distribution of 20%	<u>06.67%</u>	<u>06.66%</u>	<u>06.67%</u>	
Calculated Sharing %s	44.55%	14.14%	41.31%	

* Includes Non-Fee Paying Government Partners

** Assumes €1 = \$1.30 for 29th and 30th

24



AOB Funding % (cont.)

■ Calculated AOB Funding %s

- United States	39.23%
- Canada	21.20%
- European Union	<u>39.57%</u>
Total	100.00%



Science and Technology Center in Ukraine

2011 Administrative Operating Budget and Supplemental Budget Presentation

29 October 2010



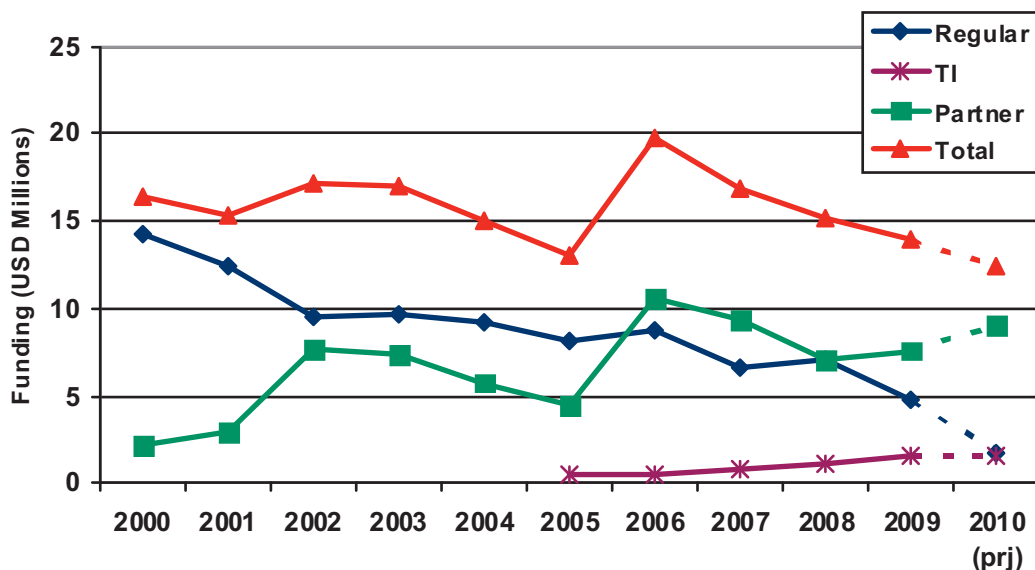
Overview

The STCU delivered its 2010 budget plan on target, with a projected Administrative Operating Budget (AOB) under-spend of approximately \$169,618 out of the \$1,778,340 approved by the Governing Board. Much of the savings was due to closer management of discretionary items such as staff travel.

For 2011, the STCU Management has built its request for Administrative Operating and Supplemental Budgets under the following assumptions:

1. The mission and strategic plan, as directed by the Governing Parties, will remain the same in 2011 as it has in previous years, i.e., following the existing 2004 strategic plan and objectives.
2. Under this “status quo” situation, project activity (Regular, Partner, and Targeted Initiative projects) will remain the dominant factor in administrative management. However, there will be a shift in the relative share of project types: the amount of newly approved Regular Projects is projected to be less (in terms of funding) than newly approved Partner or Targeted Initiative Projects (see chart below).
3. The economic situation in Ukraine and other STCU Recipient Parties stabilized during 2010, but is still weak and likely to improve only gradually during 2011. This situation will create opportunities and challenges for STCU operations and for the professional situation of the STCU staff.
4. The political support from the Governing Parties will remain steady, although the level of program support (primarily, financial support) will decline from the levels in 2009. This will result in an aggregate decrease in the number of active projects and related project administrative transactions. In contrast, the Funding Parties will concentrate more of their interest and activity on Party-specific activities, primarily in equal or increased activities in the Party-Designated Supplemental Budgets.

New GB-Approved Project Funding, Per Year





Under these assumptions, STCU Management has focused its 2011 program plan and supporting AOB/SB budget requests based on the 2004 Near-Term Strategy and with the following program planning and budgeting guidelines:

- Until such time as a new strategic concept is approved by the Governing Board, STCU Management will seek to maintain its current set of programs, but may explore pilot concepts of new or modified programs in line with the current draft Strategy Concept document now with the Advisory Committee.
- Facing a continued decline in administrative workload due to falling active project activity and restricted Funding Party resources, STCU Management will aim to achieve an overall “zero-growth” Administrative Operating Budget, i.e., one where the requested 2011 AOB total amount is equal or less than the approved 2010 AOB total amount. The requested 2011 Shared Supplemental Budget amounts will also be similar or less than approved in 2010.
- The previous bullet point means that, in spite of the projected decline in overall program activity levels, the STCU Management shall not use any administrative overhead percentage to guide its 2011 AOB planning. However, if feasible, STCU Management will look to take advantage of opportunities to adjust program emphasis and staff assignments so as to achieve cost-effectiveness and program efficiencies.
- In light of increasing Party-specific activities, STCU Management proposes an internal shift in program management responsibilities to better balance the workload across the Secretariat. Deputy Executive Directors sponsored by a particular Party now will have primary management responsibility over all of that Party’s specific program activities (particularly within the Supplemental Budgets).
- STCU shall eliminate one (1) local staff position, that of the Uzbek Regional Officer. During 2010, two other vacancies (a project accountant position and the Dnipropetrovsk Regional Officer position) were filled under the Canadian and EU DEDs, in order to provide more direct customer service to the increasing Canadian- and EU Party-specific supplemental activities.
- Within the 2011 AOB, sub-budget lines will be adjusted to accommodate proposed increases (such as a staff salary increase), but will be offset by available decreases in other sub-budget lines in order to maintain a neutral overall AOB total.
- As the Funding Parties will be contributing to both Shared and Party-Designated Supplemental Budgets according to their individual Party policy priorities, STCU Management has no *prima facie* understanding as to which Supplemental Budget Programs will be supported and to what level of funding. Thus, the STCU Management will be prepared to adjust its plans for Shared Supplemental Budget programs according to the final financial contributions made by the Funding Parties.
- STCU Management will make recommendations for funding in the individual Party-Designated Supplemental Budget requests, but will need the Funding Parties to clearly define their 2011 activity plans that will be financed from these Party-Designated Supplemental Budgets.



Executive Director Office

The Executive Director Office provides the strategic leadership for STCU and conducts the strategic-level planning, management policy guidance, and executive supervision for the entire organization. The office is also responsible for developing and implementing Center-wide policies, procedures, and practices to ensure the professional effectiveness and integrity of the STCU.

Performance in 2010

In 2010, the ED Office continued to facilitate Governing Board discussions on the STCU's strategic planning and future direction, and continued to implement the existing plans and programs in accordance with the current near-term strategy approved by the 18th Governing Board Meeting (14 June 2004). The ED Office, along with the Management Committee, directed implementation of the GB-approved 2010 AOB/SB plan and continued efficiency improvements to internal processes and practices. Other ED Office actions in 2010 included:

- Managed the impact on STCU by the transition in EU Party responsibility from the European Commission's Directorate for Research to the Commission's European Assistance Cooperation Office (AidCO).
- Interacted with the Ministry of Education and Science of Ukraine regarding the change in Ukrainian government responsibility for STCU from the Ministry to a newly established State Committee on Scientific, Technical, and Innovation Development. Also worked with National Space Agency of Ukraine on furthering cooperative activities in the aerospace and space-based research fields.
- Continued supporting the diplomatic efforts of the Funding Parties to convince the Uzbek government to renew STCU diplomatic accreditation, and re-start STCU cooperation and project activities inside Uzbekistan. When the Governing Board concluded that these initiatives failed to change the Uzbek government position, the ED Office managed the gradual phase-down of the STCU Information Office in Tashkent, with its final closure in June 2010.
- Guided the activity in the Nuclear Forensics Targeted Research Program, under the operational management of the DED (Canada), resulting in the recruitment of new project funding from DOE, the European Cooperation Office, Defense Research and Development, Canada, Lawrence Livermore National Laboratory, and the Royal Canadian Mounted Police. Also investigated the possibilities of new Targeted Research Program initiatives in regional export control and in S&T-based nuclear safety and security issues.
- Directed STCU program activity planning, including planning to implement new supplemental Canadian- and EU-requested supplemental budget activities in Partner Support and Promotion initiatives (intended to accelerate new Partner recruitment from Canada and Europe). Conducted forward-planning with STCU Management Committee to adjust administrative resources in balance with the projected change in future administrative demands. Also, worked with the STCU management, staff, and Governing Parties to incorporate sound fiscal discipline in administrative operating and supplemental activity costs while maintaining a high level of quality and program delivery.



- Coordinated with the U.S. State Department on developing a role for the STCU in a newly-created S&T Working Group under the Ukraine – U.S. Strategic Partnership Commission.
- With the ISTC Executive Director, coordinated a joint ISTC-STCU presentation of proposals to the INTAS General Assembly, as that body determined the final disposition of uncommitted funds remaining during the INTAS program liquidation process. INTAS awarded ISTC and STCU about €1 million, with the ISTC-STCU split in funds to be decided by the Centers.
- Successfully planned, arranged, and executed the 30th Governing Board Meeting in Tbilisi, Georgia.
- Organized and led activities to highlight the STCU's 15th year of operations, including designing a 15th Anniversary brochure and arranging for a 15th Anniversary special event in Kyiv, on the occasion of the 31st Governing Board Meeting.
- Worked with CFO in scheduling and supporting the STCU external financial audit for the fiscal year 2009, which entailed an ED-directed sole-source award of this financial audit contract, due to the Governing Board rejection of the 2009 contract solicitation recommendation and instruction to repeat the tender process with new criteria. Due to the ED's initiative (which was supported by the Governing Board), the STCU 2009 financial statements and management system audit were completed in a timely fashion.
- Directed the 2010 annual STCU program performance surveys to assess the state of institutes and technical units involved in active STCU projects and the impact of STCU programs on these units. Also directed program performance evaluations of several STCU programs, including the CTCO Program, Patent Support Program, and STCU-organized/EU-focused Seminars.

The ED traveled to field activities in Tbilisi and Crimea, and traveled to Washington, Ottawa, and Brussels for Party consultations. The ED had hoped to travel to Uzbekistan during 2010, but found no opportunity with the Uzbek government to do so. Also, there was an Advisory Committee Strategy Working Group meeting held in Kyiv, and an Advisory Committee meeting held in Brussels.

The ED continued communication with the Ministry of Education and Science as well as Kyiv Polytechnic Institute about the promised future STCU offices, to be constructed in the next 2 years. Kyiv Polytechnic Institute is the host of the current Metalistiv facility that houses the STCU headquarters office, and will build the future STCU offices on the institute's campus.



Plan for 2011

The ED Office expects to see a similar level of activity in 2011, including planning and implementing changes to STCU programs, procedures, and organization should the Governing Board approve a new STCU Strategic Plan. Also, the ED Office expects to be engaged in active discussions with the Parties on the future STCU Headquarters premises. The ED Office also anticipates engaging the Governing Parties in political discussions on (and Secretariat involvement in) planning for any contingencies resulting from external factors (e.g., the future operations of the ISTC). The ED Office will also plan on one Governing Board Meeting in Kyiv, and one GBM possibly outside of Ukraine (perhaps in Europe, as suggested during informal Advisory Committee discussions).

Staff Travel (2010 Budget Allocation = \$175,000: \$45,000 for International Travel, \$130,000 for Travel Within CIS. 2011 Budget Request = \$140,000: \$40,000 for International Travel, \$100,000 for Travel Within CIS.)

As anticipated in the 2010 AOB/SB request, much of the STCU staff travel in 2010 was financed from Shared- and Party-Designated Supplemental Budgets. The decision to consolidate the AOB Staff Travel into two budget lines—AOB/Staff Travel (International) and AOB/Staff Travel (Within CIS)—under the authority of the Executive Director allowed for a more careful, critical review and use of these funds, resulting in an under-spend of the 2010 AOB Staff Travel lines. Therefore, the same approach will be taken in the requested 2011 ABO Staff Travel, but the request will be \$35,000 less than the 2010 request due to the projected staff travel and the experience gained from managing the 2010 AOB Staff Travel expenditures. Included in this anticipated 2011 request are the following STCU management travels:

STCU Executive Staff Travel (International):

- Two Advisory Committee meetings in Europe/North America.
- One possible GBM in Europe or a location outside of the Recipient Parties, if the Board so decides.
- ED Consultation Missions to the Funding Parties.

STCU Executive Staff Travel (CIS):

- One possible GBM outside of Kyiv (if not outside the CIS), if the Board should so decide.
- Manager Visits to Regional Offices.
- ISTC-STCU Consultation Meeting in Moscow.

Staff Training (2010 Budget Allocation = \$9,500. 2011 Budget Request = \$70,000 for the overall AOB Staff Training line, of which the ED Office share equals \$1,489).

In 2010, many of the individual Department staff training budget lines were under-used, in part because each Department head (i.e., the DEDs and chief officers) use different approaches to executing annual staff training plans. Some Secretariat offices have specific staff training plans each year (e.g., professional accounting certification courses in the Finance Office), whereas other offices prefer to let individual staff members choose by themselves the training courses that they wish to take in a given fiscal year. In addition, a large portion of the 2010 staff training involved staff from different offices across the Secretariat participating in a single training event (e.g. thematic classes under a general Project Management Institute curriculum).



Because of the different staff training planning used by each individual Secretariat office, the repeated under-spends in the overall AOB Staff Training budget line, and the increasing use of self-defined staff training plans and of cross-departmental participation, for the 2011 AOB request, the STCU Management has agreed to have the Executive Director decide an overall budget request covering all of the professional staff in the STCU Secretariat. The overall AOB Staff Training budget amount would then be apportioned to each Secretariat office according to the number of professional staff positions in that office. For the ED Office, this share will be

The amount of 2011 staff training activity for the whole Secretariat is anticipated to be roughly the same as in 2010. Thus, the overall AOB Staff Training budget request for 2011 **(\$70,000)** reflects an amount sufficient to cover a level of training activity similar to that accomplished in 2010. The sole exception to this calculation is STCU Staff MBA Program, which was suspended starting in 2010. Of the qualified STCU staff who had not participated in previous MBA program cycles, few showed any interest in participating now. With few new-hires entering the Secretariat, it is unlikely that there will be new, qualified candidates for the MBA Program in 2011. Therefore, the STCU Staff MBA Program will remain be suspended for 2011, and no new MBA Program will be requested for inclusion into the 2011 AOB Staff Training line.

Representation (2010 Budget Allocation = \$10,000. 2011 Budget Request = \$10,000).

Based upon past Representational expenses, which included financing official receptions involving executive-level officials and visitors, STCU ED-sponsored round tables, or other executive-level needs, it is anticipated that the amount of 2011 Representational expenses will be approximately the same as in 2010.

Executive Director Office Budget Request for 2011

	2010 Planned	2010 Actual	2011 Request	Change from 2010
Staff				
- Party	1	1	1	0
- Local	1	1	1	0
Staff Total	2	2	2	0
Staff Support				
- Travel (Inter'l)	45,000	29,378	40,000	-5,000
- Travel (CIS)	130,000	113,754	100,000	-30,000
- Staff Training	9,500	9,557	1,489	-8,011
Staff Support Total	184,500	152,689	141,489	-43,011
Representation	10,000	8,141	10,000	0
15th Anniversary Event (Business Meetings & Conferences)	8,000	8,000	0	-8,000
Office Total				
Staff	2	2	2	0
Funding	202,500	168,830	151,489	-51,011

Administrative Office



The Administration Office is responsible for the administration of the Center's assets, including maintenance and security, support to financial, project monitoring and project management needs; and administration of project and Center procurements. The Office also administers the Center's HR functions, maintaining contractual documents and relationships with the STCU local staff.

Performance in 2010

STCU HQ and Field Offices' Premises Situation – The move of HQ office operations to new temporary premises was completed in 2009, and so during 2010, there were no major issues for STCU concerning its HQ premises. There were minor maintenance and repairs needed for the HQ temporary offices (in some cases, KPI performed maintenance and repairs related to the 7a Metalistiv building). The new permanent HQ premises have yet to commence construction work. However the Ukrainian Party continues to plan on starting construction soon (either late in 2010 or more likely at the start of the Ukrainian 2011 fiscal year).

Towards the end of 2009, the Dnipropetrovsk office was closed, a situation forced on the STCU by the owner of the building (the State Property Fund of Ukraine) For reasons unknown to STCU, the SPF refused to renew the lease and then took legal action against STCU on the grounds of occupying the property without a valid lease agreement. The court case was decided in January 2010 with the court ruling in favor of the SPF. STCU was ordered to pay UAH 20,914 in penalties and court fees. In the meantime, the Dnipropetrovsk Regional Office remained closed during all of 2010. The Executive Director intentionally deferred making a final decision on re-establishing the Dnipropetrovsk Regional Office, in order to assess whether the STCU truly needed such an office or the staff position assigned to that office. The office equipment in the Regional Office was returned to Kyiv or disposed. Thus, STCU has no physical presence in Dnipropetrovsk, although all of the STCU project and program activity in the Dnipropetrovsk region continues to be managed from the Kyiv headquarters.

Due to the continued impasse with the Uzbek government, which various Governing Party diplomatic initiatives had been unable to resolve, the Governing Board endorsed the Executive Director recommendation to close the STCU Regional Office in Tashkent as of 30 June 2010. The Uzbek Regional Officer was let go, and the office space returned to the Academy of Sciences of the Republic of Uzbekistan. The Executive Director decided to leave behind all of the Uzbek office furniture and equipment due to the age of these assets. STCU now has no operational presence in Uzbekistan, although the country is still a Party to the STCU. Prior to closing the Uzbek office, all copies of documents were destroyed, and stored computer data were erased by an IT contractor using proprietary software to remove all files before the disposal of the computers outside of STCU. All original official documents (such as the previous Uzbek diplomatic accreditation certificates for STCU) were returned to HQ.

Office Staff – The Administrative Office has seen a stable staffing situation in 2010 with few changes to date. Following the move to smaller, state-owned HQ offices, one maintenance staff position was eliminated as of 1 January 2010. The Travel Coordinator was replaced in March 2010 due to unsatisfactory job performance, and a new travel coordinator hired. With only one customs clearance officer, STCU drivers have become more involved in assisting in the customs clearance procedures, getting signatures from the various authorities, etc., in order to free up the customs officer to concentrate on the clearing work and less on the administration.



Projects/Procurement – As of 1 July 2010, STCU's 4 Procurement Officers were processing project-related procurements on 235 projects. This can be compared to 2009, where as of 16 July 2009, Procurement Officers were processing project-related procurements on 265 projects. Thus, overall the total volume in 2010 is down compared to 2009; as is to be expected given the relative decrease in Regular projects versus Targeted Initiative projects (which are grants-only projects having little to no project procurement actions).

The program of field targeted procurement/customs procedures training was curtailed in 2010, due to the declining numbers of new projects plus the previous years of training. Future targeted training will only be carried out on a specific, case-by-case basis, if circumstances arise that justify such specific training sessions.

Customs – Customs clearance operations have continued without interruption, but with using only one customs clearance officer. While this has put more burden on this person, the Administrative Office has tried to alleviate some of this burden by having other Office staff assist in some of the tasks (e.g., using the drivers to obtain official government signatures). For the period 1 January - 30 June 2010, shipment clearance total 133 (compared to 132 in 2009), consisting of 91 imports (87 in 2010) and 42 exports (45 in 2010). Thus, there has not been any major reduction in the work to date.

At this current rate, the projected customs volume for 2010 will be approximately 266 actions, which will be approximately the same volume as in 2009 (but this projection may change in the 2nd half of 2010, as it did in 2009 when there were more custom clearance actions than predicted). The time needed for Ukrainian customs work has increased due to the relocation of certain customs units to locations outside of the Kyiv city precincts and to locations on the opposite side of the Dniepro River, where bottlenecks on the bridges cause regular traffic jams.

Travel Coordination – As of 25 June 2010, a total of 919 travel requests were processed for the year 2010 (compared 826 in 2009); 120 visa support letters were processed (versus 84 in 2009); 114 hotel bookings (versus 105 in 2009); and 99 invoices (varying between 1 and 7 tickets per invoice) processed for air and railway tickets, (roughly equal to the 2009 rate). However, with projected numbers for the year ending 2010 estimated at 1,800 travel arrangements, as compared to 1,650 in 2009, this would mark a potential 8% increase in travel arrangements. Travel work has also increased this year due to the forced, late cancellations of trips (volcanoes, sudden changes in travel plans) which has meant more work in unwinding travel arrangements.

Plan for 2011

STCU HQ Premises - The STCU's HQ will stay in its temporary Metalistiv premises for all of 2011, while the Ukrainian Party continues the construction project for the new permanent facility (currently planned for STCU occupancy sometime in 2012). The Administrative Office anticipates only a normal amount of maintenance and repair work needed for its Metalistiv offices.

STCU Staff Grant & Bonus Budget (2010 Approved Compensation = 5% Increase to Grants for all Staff plus zero Performance Bonuses. 2011 Compensation Request = 5% Increase to Grants for all Staff, plus zero Performance Bonuses).

The market-benchmarked realignment of STCU salaries in 2008 has put STCU in a favorable position with regard to its local staff grants (salaries) when compared to the current local labor market conditions



in Ukraine. Due in large part to the economic recession in Ukraine, STCU has seen no staff turnover in 2010. The only changes in 2010 were the elimination of one maintenance staff position and the vacancy in the Uzbekistan Information Officer created by the closing of the Uzbek office. During 2009, two other staff positions became vacant and were left intentionally unfilled during most of 2010: the Dnipropetrovsk Regional Officer position and a Project Accountant position in the Finance Office. Therefore, there is currently 53 local staff positions for STCU, including the 3 vacancies mentioned. By Executive Director decision, 2 of the 3 vacant positions are to be filled before the end of 2010, and one position (the Uzbek Regional Officer position) is proposed to be eliminated in the 2011 budget request.

With the Ukrainian economic conditions expected to improve slowly, STCU does not foresee much staff turnover during the remainder of 2010 as jobs are scarce, people want job security, and STCU continues to pay salaries that are competitive and in US dollars. However, the stabilization of the hryvnia at around 8 UAH to the US dollar (and in recent months the relatively strengthening of the hryvnia against the Euro) and the continuing high price inflation in Ukraine (currently estimated at 12% by the World Bank) have slightly eroded some of the past advantages of the STCU staff grant levels.

Thus, consideration should be given to raising the level of local staff grants to maintain the staff's standard of living and STCU's competitive market position. Also, a reasonable increase now (indeed, planning on a number of small, steady increases in each future year) will allow for more stable and manageable control over staff grant expenses, negating the need for the kind of uncomfortably large increases that the Governing Board determined necessary in 2008.

While in 2010, the STCU had originally budgeted for a 4% bonus payment for staff job performance awards,, this was reduced to 0% in the GB-approved 2010 budget because long discussions within the Advisory Committee revealed that the Funding Parties were not comfortable with the STCU performance bonus system (that was first approved by the Governing Board in the 2003 budget). The EU Party made the most vocal challenges to the old bonus system, but changes in EU Party reporting lines and personnel in 2010 meant that no further discussion was possible on this issue. Thus, the Funding Party concerns raised last year were not elaborated further, and so revision to the STCU staff compensation and bonus system has languished.

In view of these problems, the STCU Management proposes a continued suspension of the performance bonus system, and requests no additional funds for job performance bonuses.

Summary of 2011 Local Staff Compensation Request:

<u>Salary % Increase 2011</u>	vs	<u>2010</u>	/	<u>Bonus % 2011</u>	vs	<u>Bonus 2010</u>
5%		5%		0%		0%

Staff Training (2010 Budget Allocation = \$22,000. 2011 Budget Request = \$11,915).

Performance in 2010

Of the 13 Administrative Office staff, 5 staff have undertaken or planned relevant professional training or familiarization courses during 2010, mainly in the areas of procurement, project management and



language skills training. The main expense comes from professional procurement/contracting practices training, with staff members attending professional procurement training in 2010.

Plan for 2011

In 2011, the Office will receive a calculated share of the fixed, overall budget for all STCU staff training. Within its budget share, the Administrative Office plans to pursue professional staff training in 2011 in modern contract and procurement practices (particularly for the one new travel coordinator who has not yet attended any procurement training course). Because modern procurement/contract management training is a type of specialized training not currently available in Ukraine, the Office will schedule 1 selected staff to attend the usual Procurement / Contract Skills courses offered by the Institute of International Procurement (Turin, Italy) or similar. Should an acceptable local procurement/contract training course become available at lower cost, this will be considered more favorably. Additional local courses are planned for staff professional development and some language training.

Staff Travel (Consolidated into the single AOB request under Executive Director Office Section).

During 2010, the CAO visited the Regional Office in Tbilisi during the period of the 30th GBM (travel costs of which were covered from the 2010 ED staff travel budget line), where physical inventory audits and other admin matters were conducted. There remain 2 field office trips planned for 2010: to Kharkiv and Lviv. Also, three members of Administrative Office staff took part in an exchange visit to ISTC in Moscow. The level of Administrative staff travel in 2011 is expected to be similar to that in 2010. There will be some CAO familiarization/inventory audit trips to the Baku and Chisinau Regional Offices, and other trips to Regional Offices will be conducted on an as-needed basis.

Facility Improvements, Furniture & Fixtures, Office Equipment, and Telecoms Equipment (2010 Budget Allocation = \$9,000: \$2,000 for Facility Improvements; \$ 3,000 for Furniture and Fixtures, and \$4,000 for Office Equipment. 2011 Budget Request = \$9,000: \$2,000 for Facility Improvements; \$3,000 for Furniture and fixtures, and \$4,000 for Office Equipment).

Performance in 2010

Because the STCU HQ offices are new, temporary, and with much of the upkeep responsibilities resting with Kyiv Polytechnic Institutes, the 2010 facility-related expenditures were low, and any future expenditures and investment was to be kept deliberately to a minimum.

Facility-related expenditures have also been low because office assets have been well maintained and smaller numbers of assets are required for fewer staff and smaller office premises. During the year, many older assets have been disposed from the Kyiv HQ, Dnipropetrovsk, and Tashkent offices (with the closure of the latter two offices).

Plan for 2011

The levels of facility-related expenditures should remain approximately the same in 2011 as in 2010, and the Office feels this amount should be sufficient cover potential circumstances that cannot be predicted with any degree of accuracy. Therefore, the Administrative Office is requesting the same amount of facility-related budget for 2011 as was approved in 2010.



Vehicle Operations (2010 Budget Allocation = \$30,000 for Vehicle Operations. 2011 Budget Request = \$30,000 for Vehicle Operations).

Performance in 2010

STCU maintains 2 vehicles (a VW Minivan & Peugeot), which remains adequate for STCU needs. These vehicles are supplemented with the use of local transportation (i.e., taxis) when required. The move of the HQ office to a more central location in Kyiv has made vehicle use easier, in some respects. On the other hand, certain customs clearance departments have been moved out of the center of Kyiv during 2010, which has offset the potential savings from the HQ office location. Weekly monitoring and reporting of vehicle costs is still in force and regularly checked. As for petrol prices, these have seen continued increases: from UAH 6.8 per litre as at the time of the 2010 budget planning to the current UAH 8.2 per litre.

Plan for 2011

The budget request for Vehicle Operations will be maintained at **\$30,000**, due to the expected stable maintenance costs and no net changes to the rate of STCU vehicle use.

Vehicle Purchase (2010 Budget = \$0. 2011 Budget Request = \$30,000).

Maintenance and operating costs are increasing for the oldest STCU vehicle, the Peugeot, which is now five years old and has 160,000 kilometers on it. To mitigate the increase in maintenance & operating costs, the Peugeot should be replaced with a new vehicle. Thus, a one-time budget of **\$30,000** is requested to purchase a replacement vehicle, although the Administrative Office will look for a suitable vehicle at a price less than \$30,000, and offset the cost by selling the Peugeot.

Administrative Office Budget Request for 2011

Department Total	2010	2010	2011	Change from 2010
Staff	Planned	Actual	Request	0
Staff Funding	61,000	55,854	80,915	+19,915
- Party	1	1	1	0
- Local	12	12	12	0
- Part-Time	3	3	3	0
Staff Total	16	16	16	0
Staff Support				
- Training	22,000	22,024	11,915	-10,085
Staff Support Total	22,000	22,024	11,915	-10,085
Admin Programs				
- Facility Improve	2,000	1,000	2,000	0
- Furn. & Fix.	3,000	1,500	3,000	0
- Office Equip.	4,000	2,693	4,000	0
- Tel. Equip.	0	0	0	0
- Veh. & Oper.	30,000	28,637	30,000	0
- Vehicle Purchase	0	0	30,000	+30,000
Programs Total	39,000	33,831	69,000	+30,000



Finance Office

The Finance Department is responsible for the financial operations of the Center, which include accounting, banking, auditing and budgeting functions and the assembling, and preparation of financial and budget information. The office oversees the development of all policies and procedures related to the internal financial control of the Center.

Office Staff

The Finance Office had no changes in its staff during 2010, except that one Project Accountant position (vacated in 2009) remained vacant in accordance with the Chief Financial Officer's preferences. Because of the declining number of active projects and related financial transactions, the Finance Office has determined that it no longer needed this vacant Project Accountant position. Thus, during 2010, the Executive Director decided to convert this Project Accountant position into a Senior Specialist position under the Deputy Executive Director (Canada), to satisfy that DED's request for additional staff due to increasing Canadian Party-specific program activity.

The remaining Finance Office staff has adequately absorbed the financial workload for 2010, and the trends suggest that the financial workload will not be increasing during 2011. Therefore, the Finance Office anticipates no need to change its current staff levels during 2011.

Enterprise Resource Planning (ERP) Maintenance (2010 Budget Allocation = \$20,000 for Software (\$8,800) and Other Professional Services (\$12,000). 2011 Budget Request = \$13,550: for Software (\$8,800) and Other Professional Services (\$4,750)).

Performance in 2010

In 2007, the STCU completed the transfer of remaining projects from its legacy financial systems to the new NAVISION integrated system. Since 1 January 1 2008, all finance and administrative transactions were processed solely in the NAVISION system. Given the completion of this project, the 2010 budget spent was for the cost of Microsoft Navision annual maintenance fees and for consulting services.

Plan for 2011

For 2011, there will be budgeted the Microsoft Navision annual maintenance fee of \$8,800 and forecasted consulting services of \$4,750. The consulting services budget for 2011 was reduced from the 2010 budgeted amount because the number of NAVISION software changes has decreased.

Staff Travel (Consolidated into the single AOB request under Executive Director Office Section).

In 2010, Finance Office staff travel was limited to project monitoring travel and CFO travel in relation to GB and AC meetings. While attending the 30th GBM in Tbilisi, Georgia, the CFO, ED, and DED (Canada) implemented a change of banks in Georgia, per the Governing Board decision. The travel costs for this Tbilisi activity were covered by the costs of traveling to the Governing Board Meeting (Travel Within CIS – ED). The only Finance Office staff travel planned for 2011 will be scheduled project monitoring travel for the Finance Office staff, and CFO travel for Party consultations or to GB/AC



meetings outside of Kyiv. Budget for this staff travel will be included in the consolidated 2011 AOB Travel line.

Staff Training (2010 Budget Allocation = \$17,900. 2011 Budget Request = \$16,383).

Performance in 2010

In 2010, the following staff training was completed:

- Certified Management Accountant (CMA) training for five people.
- Internal audit training for three people.

Plan for 2011

In 2011, the Office will receive a calculated share of the fixed, overall budget for all STCU staff training. Within its budget share, the following staff training is planned:

- CMA Training for five people at \$900 per person.
- Internal audit training for three people at \$3,961 per person



Finance Office Budget Request for 2011

	2010 Planned	2010 Actual	2011 Request	Change from 2010
Staff				
- Local	9	8	8	-1
- Party	1	1	1	0
- Part-Time	0	0	0	0
Staff Total	10	9	9	-1
Staff Support				
Staff Training	17,900	17,914	11,915	-5,985
Staff Support Total	17,900	17,914	11,915	-5,985
Programs				
- ERP Installation				
o Software	8,000	8,764	8,800	+800
o Other Professional Services	12,000	6,196	4,750	-7,250
Programs Total	20,000	14,960	13,550	-6,450
Department Total				
Staff	10	9	9	-1
Funding	37,900	32,874	25,465	-12,435

Information Technology Group

The IT Group is responsible for maintaining all STCU information technology and telecommunications equipment and services. The IT Group is also responsible for the continued development and maintenance of the STCU website, Projects (Technical) Database and all the STCU custom software applications.

IT Group Staff

The STCU Information Technology Department currently consists of four people (are the IT Group Manager, the System/Network Administrator, the Database Administrator / Web Master and the Program Analyst / Assistant System Administrator), and no staff changes are requested for 2011.

IT Group Performance in 2010

IT Group activities during 2010 involved a number of hardware and system upgrades as well as maintaining STCU system and resource availability to the STCU users in excess of 99% of the time. As part of the STCU management drive for increased efficiency, productivity, and usefulness of all the STCU information technology resources, the IT group continued to work with STCU staff and management to improve and enhance pre-existing computer-based tools on the STCU web site and internal local network.



The IT group completed a large scale hardware upgrade to all staff computers this past year. As per the STCU IT group strategic plan established in 2007, calendar year 2010 marked the end of the STCU three-year hardware replacement cycle. The IT group also upgraded STCU server hardware & software and performed numerous software upgrades. As a result of these efforts (which began in earnest in calendar year 2008), all STCU IT resource users are currently using hardware and software that meet or exceed industry standards. The STCU IT group provided and maintained eighteen (18) laptop computers, sixty nine (69) desktop computers, and twenty nine (29) printers in the STCU HQ office and Regional Offices. System hardware upgrades in the HQ office included the purchase of a rack-mounted multi-tape “back-up” unit, twelve (12) new desktop computers and four (4) new travel laptop computers. The STCU IT group provided various software upgrades to the STCU server system, enabling a nearly seamless data back-up & recovery capability. In addition, these upgrades provided a marked increase in data recovery speed to the end users. The IT Group also provided hardware and software upgrades to all the STCU field offices.

The STCU Web Site, launched in 2006, continued to be improved and numerous on-line tools were enhanced to further empower STCU clients and staff. The training and travel budgets for 2010 were fully utilized during calendar year 2010. STCU IT staff also took advanced training courses in database management, system software integration and hardware configuration.

IT Group Plan for 2011

The focus of the STCU IT Group activities for 2011 will be to maintain the existing hardware and software infrastructure, and this is reflected in the decrease in the IT group’s budget request as compared to the 2010 budget. There are no major hardware or software improvements planned for 2011. The IT Group will continue to perform various tasks to improve staff efficiency and productivity, which will include continuing to ensure IT system availability, security & redundancy and empowering STCU staff and clients with various off-line & on-line tools.

Computer Hardware (2010 Budget Allocation = \$24,775 2011 Budget Request = \$4,600).

Having completed a major computer hardware upgrade over the last two years, the 2011 budget request for computer hardware is considerably less than in previous years. Hardware purchases for 2011 will be limited to augmenting the existing hardware, minor computer upgrades, and various spare part purchases that will provide readily available replacements for unforeseen failures likely to occur during the calendar year.

Computer Software (2010 Budget Allocation = \$11,200. 2011 Budget Request = \$2,700).

All of the STCU software user programs and applications were brought up-to-date during calendar years 2008 and 2009, and the STCU system software was upgraded during 2010. Therefore, no new software packages are needed in 2011. For the 2011 Computer Software budget request, there are two annual software license fees—Norton Anti-Virus software and a Server “Bridge” software application (totaling \$2,200)—that are due in 2011, and an additional \$500 is being requested to upgrade two small software applications.

Other Professional Services (2010 Budget Allocation = \$2,250. 2011 Budget Request = \$2,250).



As in previous STCU IT budget requests, this 2011 budget request is for the annual cost of off-site backup tape storage and is the sole amount in this category requested for 2011.

Staff Training (2010 Budget Allocation = \$1,500. 2011 Budget Request = \$4,468).

In 2011, the Office will receive a calculated share of the fixed, overall budget for all STCU staff training. Within its budget share, the following staff training is planned (total \$4,468):

IT Group Budget Request for 2011

	2010 Planned	2010 Actual	2011 Request	Change from 2010
Staff				
Party	1	1	1	0
Local	3	3	3	0
Part-Time	0	0	0	0
Total	4	4	4	0
Staff Support				
Training	1,500	1,500	4,468	+2,968
Total	1,500	1,500	4,468	+2,968
Programs				
Hardware	24,775	24,527	4,600	-20,175
Software	11,200	10,428	2,700	-8,500
Oth. Prof. Svcs	2,250	2,250	2,250	0
Total	38,225	37,205	9,550	-28,675
IT Dept Totals				
Staff	4	4	4	0
Funding	39,725	38,705	14,018	-25,707

Science Excellence Department

The Science Excellence Department leads STCU efforts to develop self-sustainable, civilian research employment for former weapon scientists by facilitating science excellence that produces competitive quality research and a credible, worldwide reputation of the STCU participating scientists and institutes. The Department manages Regular and Partner Projects organizes seminars, and liaises with scientific institutions and organizations to define the National Science priorities. The Department also has primary responsibility for all EU Party-specific programmatic initiatives, and for supervising the Georgian and the (former) Dnipropetrovsk Regional Offices.

Project Management

Performance in 2010

The Department provided assistance in improving project proposal formats in an effort to attract more Foreign Collaborators. Each Department staff person was placed individually in charge of one (or more) events with a special attention to the choice of each of the selected participants, either by assisting the local recipient or the foreign one. The Department largely supported scientist travel to the



European Union from all STCU Recipient Countries to expand their exposure to scientific events abroad and gain useful insights into national and international science priorities.

On the basis of STCU Funding Party reviewers' comments, the Department worked on improving the quality of proposals and project final reports (for later reference in program evaluations and other studies related to the expected impact of funded projects). The Department assisted in organizing a "grants writing workshop that took place in Ukraine, Azerbaijan, Georgia, and Moldova, where a Canadian and a European Trainer delivered a series of specialized lectures to help local scientists propose and write better quality proposals.

Plan for 2011

In 2011, the Department will correlate Proposal and Project Agreement processes, in response to evolving Party interests, as well as to serve recipient scientists in producing competitive research proposals. The Department expects to encourage more effective targeting of proposal submissions in the selected areas of concentration suggested by the Governing Parties, specifically in the form of focused proposal calls. The Department will continue supporting the Sustainability Promotion Department initiative to encourage scientist-generated Technology Profile Forms (TPF) based on STCU project results, and on "Institute Profile Forms" to promote the capabilities of institutes to potential contract research customers.

As of now, the projection is that there will be a decline in the Department's project management workload, due to the expected steady decline in the numbers (and types) of active STCU projects. In addition, and given the tenor of recent Advisory Committee discussions, it is possible that the current "open, continuous" registration of Regular Project proposals could be replaced by a narrower and selective "targeted call for proposals" connected to defined Targeted Research Programs or Targeted Initiative cycles. Under this scenario, the Senior Specialists' project management workload could decline even further, potentially freeing up more STCU staff resources for other work, such as EU Party-specific initiatives. The Department will keep such a possibility in mind as events develop during the next year.

Seminars/Workshops (2010 Budget Allocation = \$0 for Shared Supplemental – Seminars/Workshops, plus €20,000 for EU Designated Supplemental - Seminars/Workshops. 2011 Budget Request = \$15,000 for Shared Supplemental – Seminars/Workshops, plus €0 for EU Designated-Supplemental Seminars/Workshops).

Performance in 2010

The Department worked with the other Departments in organizing the July 2010 "Grant Writing" workshops in Ukraine, Georgia, Azerbaijan and Moldova, in which one of the EU Expert Reviewers was a lecturer-trainer. The Department also engaged in several promotion events—mostly in the European Union, but also in the STCU Recipient Countries—with participating scientists from several STCU Recipient Countries and in close association with the ISTC. Using EU Party-Designated Supplemental Budget funds, the Department organized scientist delegations to travel to:

- Simferopol Anti-Plague Station, with DG EuropeAid Co-operation Office, Nuclear Safety Unit A4.
- Ukrainian-EURATOM Fission Research Meeting, Brussels.



- Georgia CEA, France PMG8 Actions Identifications Mission (Tbilisi + Batumi).
- Azerbaijan CEA, France PMG8 Actions Identification Mission (Baku).
- EU Participation in STCU Grant-Writing Workshop Events.
- Partnership Promotion Mission to CIEMAT, Spain (Madrid).
- Promotional Missions to Uppsala, Stockholm, and Goteborg, Sweden.
- Partnerships Promotion Missions to Belgium – University of Ghent – Mol Nuclear Research Center – Von Karman Institute for Fluid Dynamics.
- ISTC SAC Meeting on High Energy Fusion, Novosibirsk, Russian Federation.
- Coordination Meeting at Centre Europeen de Recherche Nucleaire (CERN) Geneva, Switzerland.
- Partnership Promotion Mission at Fusion for Energy (Joint European Support to ITER), Barcelona, Spain.

The results from these events has, thus far, been limited to expressions of interest in the STCU and its Partners Program, but no new EU Partners or Partner Projects. There was a potential for new European collaborators and ideas for new scientific proposals suggested to the recipient scientists (based on National Science Priorities) during these promotion events.

Plan for 2011

Because of the creation of the EU Party-Designated Partner Promotion and Support Supplemental Budget, this budget will now be used to organize and support the STCU-proposed EU missions for 2011. Therefore, the EU Party-Designated Seminars/Workshops Supplemental Budget (as well as the EU Party-Designated Travel and Mobility Supplemental Budget) will be used much less often than in past years. Thus, STCU has no plans to make use of the EU Seminars/Workshops SB, and looks to the EU Party to determine if any 2011 funds should be budgeted in this Seminars/Workshops SB line.

There is a possibility that the EURATOM – Ukraine cooperation will expand into project and other activities through STCU, with most of this work starting in 2011. The Department proposes using this EU-Ukraine nuclear research cooperation as a kernel to organize a broader Targeted Research Program in the nuclear science area, involving all the STCU Parties and with special emphasis on nuclear safety and proliferation-resistant nuclear energy issues. Thus, a Targeted Research Program Experts Workshop in this nuclear arena is planned for 2011, and funds are requested for the Shared Seminars/Workshops Supplemental Budget (**\$15,000**).

The final utilization of the remaining Swedish Funds for Travel Mobility will allow for a few final partnering and science collaboration missions to Stockholm.

EU Designated Supplemental Budget – Partner Promotion & Support (2010 Budget Allocation = €200,000. 2011 Budget Request = €200,000).

Performance for 2010

This Supplemental Budget was established at the request of the EU Party late in the 2010 budget planning process, and was approved by the 29th Governing Board Meeting in November 2009. However, due to the late insertion of this program into the 2010 budget, it was unclear how best to use this budget line in relation to other EU Party Designated Supplemental Budgets (particularly the EU



Designated Travel and Mobility Supplemental Budget). This confusion will be remedied in 2011, by making this Partner Promotion & Support SB the main budget line for EU-targeted promotional missions.

Plan for 2011

The STCU Management recommends that the EU Party contribute up to the same amount to this SB line as in 2010--€200,000. Using the Partner Promotion and Support SB, the Department plans to sponsor recipient scientist delegations attending the following European partnering events:

- Partner Promotion Mission to Budapest, Hungary in early April (under the Hungarian EU Presidency) focusing in two research topics (including Nuclear Science and Renewable Energies): 6 scientists plus 1 STCU staff plus exhibition costs = **€25,000**).
- MEDICA 2011 International Trade Fair with Congress (Düsseldorf, Germany, November, 2011): (6 scientists plus 1 STCU staff at €3000 each in travel support + exhibition costs = **€25,000**)
- A possible EU partnership promotion mission to Poland under the Polish EU Presidency in the second half of 2011 (**€20,000**).

Additional funds in this line will be used for the Partner Project Incentive portion of this SB activity (e.g., offsetting the Partner fee for Non-Governmental Partner Projects) plus to provide flexibility in pursuing other EU Partner Promotion opportunities in Europe or in the STCU Recipient Party membership.

EU Designated Supplemental Budget – EU Designated Tech. Collab., and Cont. Travel Support (2010 Budget Allocation =€15,000. 2011 Budget Request = €15,000).

Performance in 2010

Some travel of European experts was funded from this Supplemental Budget line. However, due to the continued lack of identified opportunities, it is likely that this SB line will be under spent in 2010.

Plan for 2011

The STCU Management recommends that the EU Party contribute up to the same amount to this SB line as in 2010--€15,000. STCU will look to the EU Party for the amount of funding the EU will contribute to this Supplemental Budget line, and will use the budget to support any specific plans for European experts or collaborator travel.

EU Designated Supplemental Budget – Travel and Mobility Support (2010 Budget Allocation = €70,000. 2011 Budget Request = €35,000).

This EU Party Designated travel support supplemental budgets have been used primarily to support the travel of recipient scientists and accompanying STCU staff on promotional missions in Europe, plus some targeted meetings to forge potential future EU scientific collaborations.



STCU Management will look to the EU Party for the amount of funding the EU Party wishes to contribute to this Travel and Mobility Supplemental Budget line. However, with the creation of the EU Designated Supplemental Budget for Partner Promotion and Support, the majority of EU-specific travel support planned by STCU for 2011 will be financed from the Partner Promotion and Support Supplemental Budget. Therefore, the STCU suggests that the EU Party need only commit a minimum amount of 2011 funds for this EU Designated Travel and Mobility SB (**€35,000**). This amount should be sufficient to support *ad hoc* travel opportunities to Europe for recipient scientists (and a limited number of accompanying STCU staff), provided that STCU deems it to be a worthy travel opportunity to expand EU-Recipient partnering and networking, and the travel cannot be included in a planned 2011 EU Partner Promotion & Support mission.

EU Designated Supplemental Budget - Patent Support (2010 Budget Allocation = €5,000. 2011 Budget Request = €5,000).

Performance in 2010

STCU received no EU Party request to provide financial support for a patent application through STCU, therefore the €5,000 allocated amount was not spent.

Plan for 2011

Based on EU Party request to eventually support one specific patent application through STCU, an amount of €5,000 is recommended for this EU Party Designated Supplemental Budget line to provide possible financial support of local patent application expenses (as a preparatory step to a future European Patent Application).

EU Designated Supplemental Budget - Expert Review and Advisors (2010 Budget Allocation = €90,000. 2011 Budget Request = €70,000).

Performance in 2010

Three EU Expert reviewers were hired as of 1 January 2008 to provide STCU with expert advice on scientific policy matters and project proposals. Their main tasks included:

- to advise the EU Party—and by extension the other STCU Governing Parties—on the fields and subjects of research with the highest priorities for the civilian conversion of WMD scientists;
- to assist the EU Party evaluating STCU proposals for the purposes of rendering project approvals and funding commitments;
- to help Ukrainian and CIS weapon scientists in their search for potential western-especially European-partners, and vice versa;
- when appropriate, to assist in the organization of, and to participate in, STCU Seminars or Workshops.

The DED (EU) is responsible for direct supervision of these European Expert-Reviewers, on behalf of the STCU and the EU Party.

Plan for 2011



The EU Party has proposed continuing these European Expert Reviewers for 2011, for the benefit of the EU Party and the STCU Governing Board. The amount recommended is defined by the total financial commitment made in the STCU contracts with the Expert Reviewers, as stipulated by the EU Party.

Staff Training (2009 Budget Allocation = \$12,500. 2010 Budget Request = \$10,426).

Performance in 2010

The Department used its training budget for staff to attend:

- Spider Project Management (a series of one-day lectures).
- Executive Assistants Training from the European Business Association.
- Event Planning Training (a distance-learning course).

However, based on projected expenses for this remaining staff training, the Department will not use the full amount budgeted for 2010.

Plan for 2011

In 2011, the Department will receive a calculated share of the fixed, overall budget for all STCU staff training. Within its budget share, the Department plans to pursue staff-chosen training in professional development and with skills development in their areas of job responsibility.

Staff Travel (Consolidated into the single AOB request under Executive Director Office Section).

The level of non-project-related, non-SB-supported Department staff travel in 2011 is expected to be similar as that in 2010. Most of the Department staff travel in 2011 will be conducted under Supplemental Budget programs, and any AOB-related staff travel will be conducted on an *ad hoc* basis with the approval of the Executive Director. Party-Designated Supplemental Budget funds will be used for STCU staff travel only when the relevant Party requests such STCU staff travel.

Regional Offices (Tbilisi and Dnipropetrovsk)

Regional Officer Travel (2010 Budget Allocation = \$5,000 (\$3,000 for Tbilisi; \$2,000 for Dnipropetrovsk). 2011 Budget Request = \$3,000; \$3000 for Tbilisi and \$0 for Dnipropetrovsk).

The Georgian Regional Officer traveled within his region of responsibility and will travel to Kyiv later in 2010 to attend the annual Regional Officers meeting. In 2011, the Georgian Regional Office may make several accompanying missions that will possibly take place involving travel within Georgia with partners like the Atomic Energy Commission CEA and CERN.

Due to the lack of a Regional Officer in Dnipropetrovsk, no Regional Office travel funds budgeted for this office was used in 2010. Given the proposal to not re-open the Dnipropetrovsk Regional Office for the time being, no 2011 Regional Office travel funds are requested for this office.



Regional Office Operations and Other Professional Services (2010 Budget Allocation = \$8,000: \$4,000 for Tbilisi and \$4,000 for Dnipropetrovsk. 2011 Budget Request = \$4,000: \$4,000 for Tbilisi and \$0 for Dnipropetrovsk).

Regional Office operations in Tbilisi were normal throughout 2010 and its office budget expenditures were within the 2010 budget targets. A similar level of office operations is expected in 2011. With the Secretariat proposal to not re-open the Dnipropetrovsk Regional Office in 2011, no office operation funds are requested for this particular office.

Science Excellence Department Budget Request for 2011 (except solely funded EU SB budgets)

	2010 Planned	2010 Actual	2011 Request	Change from 2010
Staff (persons)				
- Local	7	7	7	0
- Party	1	1	1	0
- Part-Time	0	0	0	0
Staff Total	8	8	8	0
Staff Support				
- Staff Training	12,500	6,085	10,426	-2,074
RO Operations				
- Travel	5,000	3,350	3,000	-2,000
- Overhead & Oth. Prof. Serv.	8,000	7,184	4,000	-4,000
Staff Support Total	25,500	16,619	17,426	-8,074
Workshops, Seminars – Shared	0	0	15,000	+15,000
Programs Total	0	0	15,000	+15,000
Department Total				
Staff	8	8	8	0
Funding	25,500	16,619	32,426	+6,926



Science Excellence Department Budget Request for 2011 (Solely Funded EU SB Budgets Only)

	2010 Planned EUR	2011 Request EUR	Change from 2010
EU Designated Tech. Collab., and Cont. Travel Support	€15,000	€15,000	0
EU Patent Support	€5,000	€5,000	0
EU Designated Travelers & Partner Promotion	€70,000	€35,000	-€35,000
EU Expert Review and Advisors	€90,000	€70,000	-€20,000
EU Seminars/Workshops	€20,000	€0	-€20,000
EU Partner Promotion	€200,000	€200,000	0
Programs Total	€400,000	€325,000	-€75,000

Technology Advancement Department

The Technology Advancement Department leads STCU efforts to assist former weapon scientists by coordinating the processing and management of STCU projects and proposals; managing the Targeted R&D Initiatives Program and leading the development of new Targeted Research Programs. The Department also has primary responsibility for all Canadian Party-specific programmatic initiatives, and for supervising the Kharkiv, Lviv, and Chisinau Regional Offices.

Department Staff

In spite of the addition of one staff position in 2009, the Deputy Executive Director (Canada) continued to express his concern that his Department was not well-positioned to handle any potential increase in program responsibility. One source of this potential increase is in Canadian Party-specific program initiatives, as evidenced by the increases in Canadian Party Designated Supplemental Budget funding over the past few years. The Canadian Party statements appear to indicate the Party desire to will continue expanding outreach efforts in Canada, and to increase Canadian partnering and collaborative activities with STCU Recipient Parties.

Therefore in 2010, the Executive Director decided to increase the Department staff level by moving one vacant staff position from the Finance Office to the Department, to assume responsibility for the expanded Canadian Party Supplemental Budget activities (particularly the Canadian Partners Promotions & Support SB). At the same time, the Executive Director instructed the STCU Management to better balance the workload across the Secretariat by transferring program responsibilities to under-utilized parts of the STCU. In response, the Department recommended (and the STCU Management agreed) that of the Department's current program responsibilities for (a) the Targeted R&D Initiative Program be transferred to the Senior Deputy Executive Director (Ukraine), and (b) the Nuclear Forensics Targeted Research Program be transferred to the Deputy Executive Director (USA).

With the additional staff position, plus the transfer of program work to other parts of the Secretariat, the Department is in a better position to focus effort on the expanding Canadian-Party-specific supplemental programs and programmatic interests



Project Management (including the Nuclear Forensics Targeted Research Program)

Performance in 2010

The Department continued to process Regular project proposals, and to manage active Regular and Partner projects, from Kyiv, and from the Regional Offices in Kharkiv, Lviv and in Moldova.

The Department staff was also engaged in activities related to the STCU Nuclear Forensics Targeted Research Pilot Program. It is noteworthy that during the first seven months of 2010, all the Department's Kyiv-based staff was engaged (> 50% of their time) on the Nuclear Forensics Targeted Research Program, as part of a cross-organizational "Nuclear Forensics TRP team" that included staff from other parts of the STCU Secretariat. In the last half of 2010, the Nuclear Forensics TRP entered the project proposal solicitation and evaluation phase, and most of the future work will now be more typical of the STCU Partner Project process. Thus, in response to the Executive Director's instruction to better balance the workload across the Secretariat, the Department offered (and STCU Management agreed) to transfer responsibility for the Nuclear Forensics TRP to the Sustainability Promotion Department under the DED (USA).

Plan for 2011

The Department that project-related work will be approximately the same or less in 2011 than in 2010. There may be new, more targeted project work due to initiatives supported by the Canadian supplemental programs, as well as resulting from targeted programs (e.g., nuclear forensics) or potentially an expanded Targeted Initiatives (if an expansion actually happens). But it is unknown to what extent this new project work (if it materializes) will affect the Department staff workload, given the reduction in the numbers of approved Regular Projects.

In the meantime, the Department will continue its efforts to improve STCU procedures that enhance the technical quality of submitted proposals, and will continue to ensure that all project technical monitoring reports and quarterly progress reports submitted by the Project Managers are consistent with STCU standard operating procedures and are accessible to the Funding Parties through the STCU Project Database.

Canadian Designated Supplemental Budget –Partner Promotion and Support (2010 Budget Allocation = \$250,000. 2011 Budget Request = Amount To Be Designated by Canadian Party; STCU recommends at least \$50,000).

Performance in 2010

This Supplemental Budget was established at the request of the Canadian Party late in the 2010 budget planning process, and was approved by the 29th Governing Board Meeting in November 2009. In 2010, delivery of this Canadian Designated Supplementary Budget was the responsibility of the Department, along with the Partnership Program staff of the Sustainability Promotion Department. However, other priorities in the first half of 2010, and the lack of a defined plan of action due to the late insertion of this SB into the 2010 budget, led to a delay in implementing this Supplemental Budget line. As a result, this Canadian Supplementary Budget is projected to be under-spent in 2010.



Another reason for the projected under-utilization was that the first major Canadian Partner Promotion event intended for the Supplemental program—the March 2010 Ukrainian aerospace industry mission to Canada, planned by STCU, the Canadian Embassy, and the National Space Agency of Ukraine—was suddenly postponed by the Ukrainian side due to the February-March political changes in Ukraine and within the National Space Agency leadership.

During the first 6 months of 2010, the Department was responsible for planning and organizing 14 missions/conferences/meetings requiring personnel traveling to and or from Canada. During the second half of 2010 an additional 9 events are planned.

Plan for 2011

STCU Management will look to the Canadian Party for the amount of funding Canada will contribute to this Supplemental Budget line, and will use the budget to support any specific plans for Canadian experts or collaborator travel that the Canadian Party authorizes.

In 2011, approximately 7 technology missions to Canada are envisioned (list to be finalized by DFAIT). In addition, there may be at least one incoming mission of Small- and Medium-Sized Canadian Enterprises to Ukraine, and possibly one technology-focused Business Summit (to be organized in partnership with the Canadian Embassy). Furthermore, one STCU-initiated Partner Promotion “road-show” will be included:

- Banff Venture Forum 2011 (Canada, September 2011): 3 participants at \$4000 in travel support **(\$12,000)**.
- A possible Canadian-Ukrainian business summit that will involved the Canadian Embassy (Kyiv) and other Canadian stakeholders **(\$30,000)**.
- Other Canadian Partner Promotion missions as identified and approved by the Canadian Party.

CA Designated Supplemental Budget – CA Designated Tech. Collab., and Cont. Travel Support (2010 Budget Allocation = \$120,000. 2011 Budget Request = Amount To Be Designated by Canadian Party; STCU recommends \$60,000).

Performance in 2010

Some travel of Canadian experts was funded from this Canadian-Designated Supplemental Budget line, primarily to support Canadian participation in the Nuclear Forensics Targeted Research Program. However, due to the continued lack of opportunities identified by the Department and the Canadian Party, it is likely that this SB line will be under spent in 2010, much as it was in 2009.



Plan for 2011

STCU Management will look to the Canadian Party for the amount of funding Canada will contribute to this Supplemental Budget line, and will use the budget to support any specific plans for Canadian experts or collaborator travel that the Canadian Party authorizes. STCU also will make recommendations to the Canadian Party when opportunities arise that the STCU Management feels are appropriate to receive travel support from this Supplemental Line. However, with the historical under-spends in this specific SB line, STCU believes that the 2011 Canadian contribution to this SB line can be less than the 2010 contribution. STCU suggests that Canada commit **\$60,000** to this 2011 SB line, which should be sufficient to cover any 2011 travel opportunities for Canadian experts.

CA Designated Supplemental Budget – CA Travel and Mobility Support (2010 Budget Allocation = \$250,000. 2011 Budget Request = Amount To Be Designated by Canadian Party; STCU recommends at least \$125,000).

Performance in 2010

At the direction of the Canadian Party representatives, STCU used funds from this Canadian-Designated Supplemental Budget to support recipient scientist travel to Canada on technology missions, as well as for Canadian Party-directed travel support to conferences and other events (e.g., the ABSA biosafety conference). However, due to the continued lack of opportunities identified by the Department and the Canadian Party, this SB line is projected to be under-spent in 2010.

Plan for 2011

STCU Management will look to the Canadian Party for the amount of funding Canada will contribute to this Supplemental Budget line, and will use the budget to support any specific, Canadian authorized travel for Recipient Party scientists and accompanying STCU staff. However, with under-spends in this SB line in 2010 and the creation of a Canadian Designated Partner Promotion and Support SB, STCU believes that the 2011 Canadian contribution to this SB line can be less than the 2010 contribution. STCU suggests that the Canadian Party commit about **\$125,000** to this 2011 SB line, which should be sufficient to cover any *ad hoc* travel opportunities to Canada, provided that these are worthy travel opportunities to advance Canadian partnering and collaboration goals, and that the travel cannot be included in any planned 2011 Canadian Partnership Promotion missions.

CA Designated Supplemental Budget – Biosecurity & Biosafety (2010 Budget Allocation = \$400,0000. 2011 Budget Request = Amount To Be Designated by Canadian Party).

Performance in 2010

This Supplemental Budget was used for supporting the travel of Ukrainian recipient scientists to biosafety training, and continuing program work to improve the bio-safety/bio-security infrastructure and policies in Ukraine. The Deputy Executive Director (Canada) continued to work with the Canadian Party regarding implementation of this program's 2010 planned activities.

Plan for 2011



While the program plans for 2011 are not yet known to the STCU Management, the Department anticipates an increase in program activity, based on the DED (Canada) discussions with officials of DFAIT's Biosecurity and Biosafety program. STCU Management will look to the Canadian Party for the amount of funding Canada will contribute to this Supplemental Budget line, and will use the budget to support any specific actions directed by the DFAIT Biosafety/Biosecurity program authorities. STCU also will offer recommendations to the Canadian Party when opportunities arise that the STCU Management feels are appropriate to receive support from this Supplemental Line.

Targeted R&D Initiatives

Performance in 2010

For the sixth year, the Targeted R&D Initiatives Program continued with successful Ukrainian, Georgian, Azeri and Moldovan cycles. In 2010, the Recipient Parties (Ukraine, Georgia, Azerbaijan, and Moldova) contributed project co-financing of \$588,000, \$382,000, \$450,000 and \$150,000 respectively, for a combined total of \$1,570,000. Depending on the decisions made for the Azeri and Moldovan cycles at the 31st Governing Board Meeting in November 2010, a total of 38 projects are projected to be approved for funding under these 2010 Targeted Initiative cycles (the same number of projects as were approved in 2009).

In 2010, the STCU worked with the participating Recipient organizations on expanded cooperative audit procedures that resulted in the sharing of financial information on the co-funded projects. This has brought about greater transparency and accountability of the two financial halves of these projects; namely: STCU's financial contribution and the contribution provided by the participating Recipient Party bodies.

At the 30th meeting of STCU's Governing Board (May 2010), the Board appeared favorable to expanding the Targeted Initiatives Program, and STCU has received requests from new organizations in the Recipient Parties that would like to participate. Some of these new organizations include: the National Space Agency of Ukraine, Ministry of Education and Science of Ukraine, the Academy of Agrarian Sciences of Ukraine, and possibly the Ministry of Health of Ukraine. STCU is currently discussing proposals for new Targeted Initiative programs with these participants. But getting firm funding commitments will be a challenge, given the Funding Parties' statements on their future program budgets.

One source of external funding for starting a new Targeted Initiative is the anticipated STCU share of the liquidated INTAS program funds (awarded jointly to ISTC and STCU by the 16 June 2010 INTAS General Assembly meeting), which STCU Management recommends to be used with the National Space Agency of Ukraine. But bringing in other new participants will depend on the Funding Party willingness to commit funding to support expanded Targeted Initiative programs.

Plan for 2011

Pending the endorsement of the Governing Board, the STCU Management agreed to an internal shift of management responsibility for the TRDI program, transferring this program to the Performance/Outreach Department in 2011. This would include the four existing TRDI programs with Ukraine, Azerbaijan, Georgia, and Moldova. Responsibility for any new TRDI program initiatives would also be shifted to the Performance/Outreach Department, with the Technology Advancement



Department providing transition support for the existing programs and supporting (as needed) to help STCU initiate new TRDI programs. In particular, the Department will assist the Performance/Outreach Department in establishing a TRDI program with the Ukrainian Ministry of Education and Science, if such a program is feasible.

Seminars/Workshops (2010 Budget Allocation = \$58,633 for Shared Supplemental – Seminars/Workshops. 2011 Budget Request = \$0 for Shared Supplemental – Seminars/Workshops).

Performance in 2010

The Department assisted the Sustainability and Science Excellence Departments in organizing the “Grant Writing” workshops in Ukraine, Georgia, Azerbaijan and Moldova in July 2010. The STCU Management is currently exploring the possibility of staging an “Experts Workshop” in late 2010, in a thematic area of interest to the Funding Parties regional / global security and stability programs. However, the time available to organize such an event prior to the end of the year may push this workshop into 2011. The intent would be to use this workshop to launch the next area for Targeted Research Program proposals.

Plan for 2011

The Department does not plan on assuming responsibility for planning any seminars or workshops in 2011, and thus does not request any funds in its 2011 budget request. But the Department will support other STCU Departments in their efforts to organize one or two more “Experts Workshops” in thematic areas of interest to the Parties’ regional/global security and stability programs.

Staff Training (2010 Budget Allocation = \$13,000. 2011 Budget Request = \$13,404).

Performance in 2010

In the context of enhancing the core competence of the personnel across the Center, Department staff participated in “Communication Skills” (written and verbal) development during the first six months of 2010.

In the second half of 2010, staff from across the Center will be invited to participate in additional skills development, namely: “People Skills Development for Project Managers”. The training will focus on: building and management of efficient project teams; creation and management of the communication system in project teams; prevention of conflicts and conflict resolution; choosing the right motivation factors for project team members, etc. This training is deemed necessary as the Center moves towards development of cross – functional teams that have little or no experience of working together.

Plan for 2011

In 2011, the Department will receive a calculated share of the fixed, overall budget for all STCU staff training. Within its budget share, the Department plans to pursue more of aforementioned training, as well as other anticipated Department staff training needs in further professional development.

Staff Travel (Consolidated into the single AOB request under Executive Director Office Section).



The level of non-project-related, non-SB-supported Department staff travel in 2011 is expected to be similar as that in 2010. Most of the Department staff travel in 2011 will be conducted under Supplemental Budget programs, and any AOB-related staff travel will be conducted on an *ad hoc* basis with the approval of the Executive Director. Party-Designated Supplemental Budget funds will be used for STCU staff travel only when the relevant Party requests such STCU staff travel.

Regional Offices (Kharkiv, Lviv, and Chisinau)

Regional Officer Travel (2010 Budget Allocation Travel = \$8,500: \$3,500 for Kharkiv; \$2,000 for Lviv; \$3,000 for Chisinau. 2011 Budget Request = \$8,500: \$3,500 for Kharkiv; \$2,000 for Lviv; \$3,000 for Chisinau).

In 2010, the level of Regional Officer travel was less than that seen in previous years. With the exception of one Senior Specialist that traveled under a Party-Designated Supplementary Budget, travel was limited to mostly on-site project monitoring travel. A Regional Officers meeting is scheduled to take place in the second half of 2010 in Kyiv. As Regional Officer travel for 2011 is expected to be similar to levels undertaken in previous fiscal years, no increase in Regional Officer Travel budget is requested.

Regional Office Operations 2010 Budget Allocation = \$17,500: \$9,500 for Kharkiv; \$5,000 for Lviv; \$3,000 for Chisinau. 2011 Budget Request = \$17,500: \$9,500 for Kharkiv; \$5,000 for Lviv; \$3,000 for Chisinau).

Regional Office operations in Kharkiv, Lviv, and Chisinau were normal throughout 2010 and their office budget expenditures are within the 2010 budget targets. A similar level of office operations is expected in 2011. The Department is requesting the continuation of the part-time administrative assistant in Kharkiv due to the high work load at that office.

Technology Advancement Departmental Budget Request 2011

	2010 Planned	2010 Actual	2011 Request	Change from 2010
Staff				
- Local	8	9	9	+1
- Party	1	1	1	0
- Part-Time	0	0	0	0
Sub Total	9	10	10	+1
Staff Support				
- Staff Training	13,000	13,076	13,404	+404
RO Operations				
- Kharkiv	13,000	9,943	13,000	0
- Lviv	7,000	5,870	7,000	0
- Chisinau	6,000	5,447	6,000	0
RO Operations Total	26,000	21,260	26,000	0
Programs				
- S.B. Conferences / Workshops - Shared	58,633	25,357	0	-58,633
- S.B. – Tech., Collab., Cont.	120,000	19,592	0	-120,000



Travel – Canada				
- S.B. – Travel & Mobility – Canada	250,000	118,473	160,000	-90,000
- S.B. – Biosecurity & Biosafety – Canada	400,000	225,531	100,000	-300,000
- S.B. Partner Promotion & Support - Canada	250,000	81,092	370,000	+120,000
Programs Total	1,078,633	470,045	630,000	-448,633
Department Total				
- Staff	9	10	10	+1
- Funding	1,117,633	504,381	669,404	-448,229

Sustainability Promotion Department

The Sustainability Promotion Department seeks to increase the ability of recipient former weapon scientists to enhance their self-sustainability in civilian research employment by developing long-term partners within the private and government sectors, securing intellectual property rights, guiding scientists in commercial licensing negotiations, and building experience in technology transfer and strategic growth planning. The Department also has primary responsibility for all US Party-specific programmatic initiatives, and for supervising the Azeri and the (former) Uzbek Regional Offices.

Department Staff

There was only one change in the Department staff during 2010, that of the Uzbek Regional Officer. Due to the inability of STCU to start new program or project activities in Uzbekistan, and with the final close-out of all STCU projects in Uzbekistan, the Governing Board endorsed the STCU Management recommendation to close the STCU Regional Office in Tashkent and to release the Uzbek Regional Officer. The STCU Management agreed to eliminate the Uzbek Regional Officer position in the 2011 budget.

Partnership Promotion (2010 Budget Allocation = \$57,341 from Shared Supplemental Budget-Bus. Training/Sus. Support. 2011 Budget Request = \$70,000 from Shared Supplemental Budget-Bus. Training/Sus. Support).

Performance in 2010

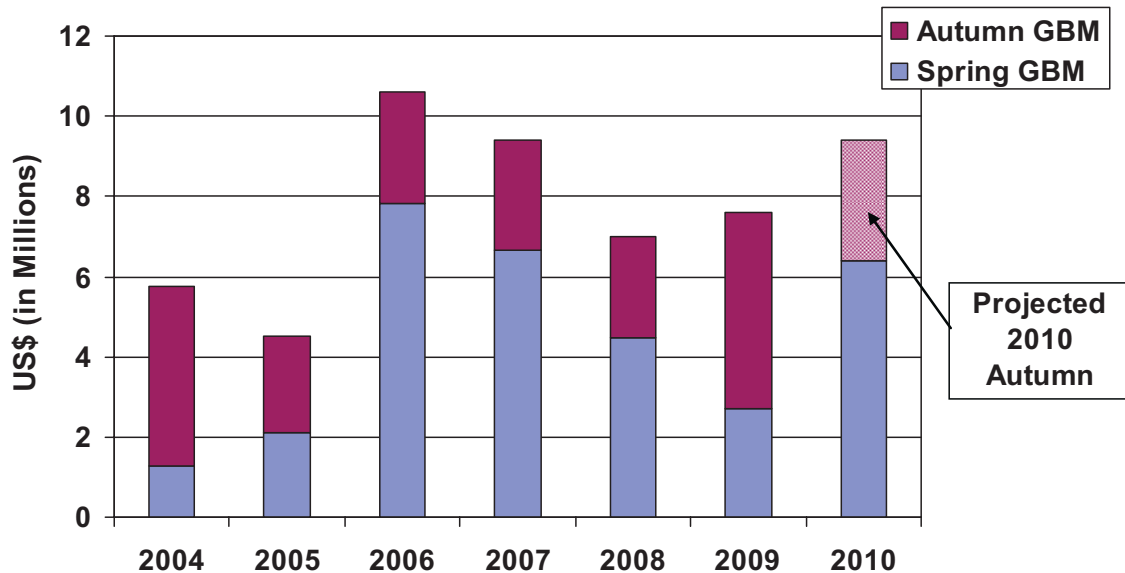
In the first half of 2010, there was an increase in new Partner Project funding, as compared to the same period in 2009. Based on the projected amount of new Partner Projects to be approved at the 31st GBM in November, the Department expects the 2010 Partner Project funding total to exceed the annual totals of the previous two years, and nearly reach the record Partner funding levels of 2006-2007 (see chart). However, the amount of project funding from Partners that recently joined STCU continues

to be a small portion of this overall amount. In other words, the majority of STCU Partner Project funding continues to come from Partners that joined STCU prior to 2005. Furthermore, the majority of Partner Project funding came from Governmental Partners such as U.S. DOE/NNSA GIPP, which has been an STCU Partner since 2000. Thus whatever the end-of-year total becomes, the 2010 Partner



Project activity continued to challenge STCU in terms of its variability, its dependence on the actions of a precious few Partners, and also due to its large share of the overall STCU project activity.

New Partner Project Funding (by GBM)



In 2010, STCU conducted four Partner Promotion road shows (two in the United States, one in EU, and two in Ukraine) to provide former weapon scientists with first-hand experience in marketing their S&T capabilities and in promoting the STCU Partners Program to governmental and non-governmental clients:

- Renewable Energy Technology Conference and Exhibition (RETECH 2010, Feb. 3-5, 2010, Washington, DC).** Five former weapon scientists participated at this event, which included over 3,500 attendees, 250 exhibitors on the Trade Show Floor, and 200 speakers in the Business Conference. The Ukrainian delegation paid particular attention to establishing contacts with representatives of firms, manufacturers of solar elements of various types, modules and solar concentrate systems. The group received information on characteristics of manufactured devices and equipment, and discussed possible cooperation.
- TechConnect World Investment Conference (Anaheim, CA, USA, 21-25 June 2010).** STCU led a 3-member delegation of former weapon scientists, who made their presentations, acquired dozens of contacts with commercial technology representatives, and also received company-specific technology R&D needs for further consideration. Due to active networking by the visiting scientists with the conference organizers, a booth for Institute for Problems of Materials Science (IPMS) and STCU was given free of charge. Promotional materials and presentations from IPMS and STCU were offered.
- Seed Forums (Kyiv, 28 April 2010).** Based on their business plan submissions, STCU invited four former weapon scientists to participate in this international investment forum, sponsored by the Ukrainian Chamber of Commerce. The entire Department staff took part in the forum with the STCU booth, offering STCU promotional materials and technology profile forms to potential investors and visitors. Several discussions are now in progress for possible investment



opportunities. STCU is planning to take part in the second event of this biannual forum (on 25 November 2010), in conjunction with the Ukrainian Chamber of Commerce, following the same plan as pursued in the May event.

Plan for 2011

The challenges posed by the global economic crisis likely will still dampen Non-Governmental Partner interest in funding Partner Projects in 2011. However, the Department will take a more pro-active approach with existing Partners, in an attempt to encourage some (re)newed Partner Project funding from these Partners. The Department also plans to focus on Partnership Promotion road-shows and events that show the best potential for increasing the number of Partner Projects and to arrange direct-contact meetings between CTCOs and former weapons scientists and STCU Partner companies on the margins of these Partnership Promotion missions. The Department also anticipates a more concentrated effort to attract Governmental Partner funding as a result of the pilot Targeted Research Program's focus on research areas in the fields of global security and stability. Beyond this, and to achieve more synergy amongst programs, the Department plans to use more CTCOs in 2011 Partnership Promotion events. The following Partnering events are planned for 2011:

- **TechConnect World Investment Conference (USA, June 2011).** Four (4) participants at \$4000 each (**\$12,000**).
- **Seed Forums (Kyiv, May and November 2011).** Eight (8) recipient scientists plus STCU staff. Due to the active role of STCU in this event, STCU participation is free of charge.
- **SATELLITE 2011 Conference and Exhibition (Washington DC, 14-17 March 2011).** With the increased interest of companies in technologies and new materials developed by Ukrainian aerospace enterprises, the Department proposes adding this global international conference and exhibition to the Partnership Promotion schedule as a U.S.-based event. The National Space Agency of Ukraine will also cooperate with STCU in showcasing its institute capabilities at this exhibition (6 participants + 1 STCU staff member at \$3000 in travel support + exhibition booth = **\$40,000**).

Seminars/Workshops (2010 Budget Allocation = \$0 from Shared Supplemental Budget – Seminars/Workshops. 2011 Budget Request: \$30,000 in Shared Supplemental Budget – Seminars/Workshops).

The STCU will host a meeting in Kyiv, during 2011 as a follow-up to the Nuclear Forensics Experts Workshop that was held in June 2009 (**\$15,000**). This workshop will bring together STCU donors and regional GUAM (and perhaps Armenia with ISTC participation) law enforcement, nuclear regulatory officials and nuclear scientists, and provide an opportunity for these experts to discuss:

- The progress and results of on-going S&T projects;
- The application of the projects results into national response plans to nuclear/radioactive smuggling;
- The establishment of a regional nuclear forensic network (progress and further actions)
- Discuss future projects or activities needed to continue progress or fill in gaps.

STCU would like to continue cooperation with ISTC in conducting this workshop.



The Department will also investigate a possible new Targeted Research Program initiative in 2011, in an area identified by the Parties in the global security or regional stability arena. The EU proposal for an export control “center of excellence” may be one thematic area that an experts’ workshop or planning workshops will be necessary. To account for this possibility, the Department is requesting an additional \$15,000 be budgeted.

Sustainability Development (2010 Budget Allocation = \$79,091 from Shared Supplemental Budget - Bus. Training/Sus. Support. 2011 Budget Request = \$80,000 from Shared Supplemental Budget - Bus. Training/Sus. Support).

Performance in 2010

STCU printed 250 hardcopies and CDs of Institute Profile Forms and Technology Profile Forms that were developed for each STCU recipient country: Azerbaijan, Georgia, Ukraine, Uzbekistan, (Moldova is in progress) to promote institutes and their activity. STCU printed 16 large-size standing posters (3 for CTCO organizations in Georgia, Azerbaijan and Moldova and 13 for Ukrainian CTCO and ISP institutes) for better presentation of their scientific institutes at exhibitions and meetings.

STCU initiated an assessment in "Overcoming Existing National Barriers for Commercializing Intellectual Property Assets in Ukraine ". The study was conducted by IPR Institute in Kyiv, using the Delphi method. This was a follow-up study to last year’s study on “Determining the Barriers for Commercialization in Ukraine”. The results of both studies were presented at the 4th Session of the UNECE Team of Specialists on Intellectual Property (TOS-IP) in Geneva, Switzerland.

This year, the Department worked jointly with CTCO, ISP, SME groups, including Association of Professionals for Commercialization of Ukraine (APCU). The Association is active in efforts to improve the legal and investment climate for technology transfer in Ukraine. APCU members were busy with promotion and improvement on how to stimulate Ukrainian companies to work with Ukrainian scientific institutes and universities. Another major activity of APCU was promoting their institutes and technologies by organizing an exhibition at the UNECE International Conference “From Applied Research to Entrepreneurship: Promoting Innovation-driven Start-ups and Academic Spin-offs” followed by Training Seminar “Intellectual Property Management at Public Research Organizations”, to be held in November in Kyiv.

This year, STCU initiated a tender to conduct and co-finance English language courses for CTCOs in Moldova (the courses are paid half by STCU, half by the participants).

In 2010, the Department conducted several Tech Transfer round-table workshops, attended by former weapon scientists, CTCOs, and other interested scientific personnel throughout the Recipient countries. These round-tables have been conducted by the Department since 2006, but this year with a more targeted audience of STCU recipients, focusing on the IPR and commercialization issues they are facing in their STCU work and in their institutes.

STCU -hosted Tech Transfer, IPR, and Business Planning Roundtables		
February 22	Kyiv – Kurdyumov Institute of Metal Physics	40 attendees



March 12	Kyiv, European Business Competence License Training workshop (www.ebcl.eu) demo training	13 attendees - 5 CTCOs, 5 ISPs, 3 high tech SME representatives.
March 12	Kyiv, IPR on-line presentation from Nerac, a research advisory firm for universities developing innovative products and technologies suitable for licensing.	13 attendees - 5 CTCOs, 5 ISPs, 3 high tech SMEs representatives.
April 9	Kyiv - Meeting with local Ukrainian investment fund "Horizon Capital"	14 attendees - 5 CTCOs, 5 ISPs, 3 high tech SMEs representatives.
June 2	Kyiv – Workshop on "Technology Transfer in Ukraine, Practice and Perspectives"	40 attendees CTCOs, ISPs, SMEs, Science Park "Kyivska Polytechnika" representatives, Ukrainian MP, EU experts
CTCO, ISP, SME Seminars, Training Courses, Meetings		
May 28	Tbilisi – meeting with Georgian CTCOs to discuss organization of Technology Transfer activities	15 attendees
June 18	Kyiv - Round-table discussions for improvement stimulation of business to work with Ukrainian scientific	15 attendees
July 12-23	Kyiv – Baku –Tbilisi -- Chisinau – Kharkiv, A series of Grant-writing workshops with EU and Canadian trainers	250 attendees (FWS)

Plan for 2011

The Department plans to combine the work with three groups that support former weapons scientists: CTCO, ISP, SME (Small and Medium-sized Enterprises). Although Department role is more educational and supporting, it can result in selling licenses, creating start-ups and new high-tech jobs in CIS recipient countries. The activities would include:

- In 2011, the Department plans on continuing activities that help CTCOs and SMEs improve their marketing strategies and in and building self-sustaining promotional capabilities. In particular, Azeri, Georgian, and Moldovan entities need more focused training and consultations on how to make first contacts and make effective negotiations. The Department plans to invite experts to conduct marketing and sales trainings workshops, and to work more closely and conduct site visits with Georgian, Azeri, and Moldovan CTCOs and SMEs. Contracting consultants/experts will be very beneficial for scientists in making first contacts and negotiation with western companies **(\$50,000)**.
- The Department will again use the Nerac search firm to conduct 5 Marketing Analysis Reports for the CTCO institutes, focusing on those in non-Ukrainian Recipient Parties. (5 reports @ \$3,000 each = **\$15,000**).
- Under the CTCO/ISP/SME rubric, the Department would like to plan on a single, large-venue to replace the Roundtable series of seminars that had been conducted over the past few years. This will be a "Tech Transfer, Finding Partners, Business Planning, and IPR" seminar in Kyiv or



Kharkiv to include a group of selected Project Managers of active STCU projects, as well as selected institute leaders, CTCOs, etc. (approximately 100 participants, \$15,000).

Patent, IPR Support and Market Analysis (2010 Budget Allocation = \$30,033 from Shared Supplemental Budget - Patent Support. 2011 Budget Request = \$20,000 from Shared Supplemental Budget - Patent Support).

Performance in 2010

As of mid-2010, the STCU Patent Review Committee had received, reviewed, and granted financial support to 3 new patent applications. Since 1995, STCU has issued a total of 246 Patent Support Grants (including 231 grants for Patent Applications in Ukraine, 3 grants for Patents Applications in Uzbekistan and 12 grants for Patent Applications in the STCU Donor Countries). The Patent Support Program is experiencing continued reluctance on the part of scientists to patent their technologies internationally, given the potentially high costs of patent filing at the end of the 30-month PCT application period, and the inability of scientists to find suitable licensing Partners or investors quickly enough who could pay for further patent costs.

The Department also purchased services from the Nerac database search firm, providing STCU-requested market and patent information on 7 technologies of former weapon scientists. The Department prepared 2 booklets and compact discs of template documents and agreements for licensing opportunities, translated from English into Ukrainian and Russian languages. These 2 booklets give former weapons scientists and their institutes examples of IPR-related and licensing agreements in their own languages, so that the institutes can develop approaches to protect their intellectual property when the scientists, institutes, universities and CTCOs deal with foreign businesses and investors.

The Department also continues to publish its STCU electronic newsletter (issued approximately once every 2-3 months). This newsletter promotes technologies of former weapons scientists' institutes and provides CTCOs and other Recipient scientists with tech transfer and IPR presentation materials, published articles, and other information to stimulate international scientific collaboration.

Plan for 2011

Although ambitious given the factors impeding the Patent Support Program, the Department will continue its pursuit of awarding Patent Support Grants for up to 4 patent applications in 2011 (\$20,000), and will plan to continue using a Ukrainian patent expert to participate on the Patent Review Committee and to assist in evaluating patent application submissions.

Institute Sustainability Program (2010 Budget Allocation = \$30,033 in Shared Supplemental Budget, Institute Sustainability Program. 2011 Budget Allocation = \$0).

Performance in 2010

The Department monitored the progress of the three funded ISP projects. The ISP project teams are very open and they have shared information among other institutes (especially with other funded and unfunded ISP institutes) and hosted all interested stakeholders.



The Department continued to engage all 6 of the participating ISP institutes (the three that had funded ISP projects and the three with unfunded projects) in custom-tailoring their offerings through making better use of market research techniques and available information about their potential clients. STCU funded Nerac marketing analyses studies for these 6 institutes, and the Department also provided the institutes with market analysis and competition reports. All the institutes used the reports as a template for other technologies' market researches to focus their commercializing efforts.

In 2010 the department is preparing for contracting expert assessments of the three active ISP projects in the last quarter of 2010, so as to provide an independent performance evaluation of the projects after the first year of work.

Plan for 2011

Given that the Funding Parties no longer give the ISP the same priority as in past years, and there is a lack of Party interest and financing available for moving the ISP out of its pilot phase (so as to expand the program to other institutes), the Department will focus on the currently funded ISP projects, with a view towards concluding these projects, assessing the results, and suspending the program until a Governing Board decision is made as to its future.

Staff Training (2010 Budget Allocation = \$12,500. 2011 Budget Request = \$10,426).

Performance in 2010

In 2010, the Department staff participated in several training and educational courses. Other planned 2010 Department training will include staff-chosen training in professional development and with skills development in their areas of job responsibility. But based on projected expenses for this remaining staff training, the Department will not use the full amount budgeted for the 2010 year.

Plan for 2011

In 2011, the Department will receive a calculated share of the fixed, overall budget for all STCU staff training. Within its budget share, the Department plans to pursue a similar level of staff-chosen training in professional development and with skills development in their areas of job responsibility.



Staff Travel (Consolidated into the single AOB request under Executive Director Office Section).

The level of non-project-related, non-SB-supported Department staff travel in 2011 is expected to be similar as that in 2010. Most of the Department staff travel in 2011 will be conducted under Supplemental Budget programs, and any AOB-related staff travel will be conducted on an *ad hoc* basis with the approval of the Executive Director. Party-Designated Supplemental Budget funds will be used for STCU staff travel only when the relevant Party requests such STCU staff travel.

Regional Offices (Azerbaijan and Uzbekistan)

Regional Office Operations (2010 Budget Allocation = \$11,000: \$4,000 for Baku and \$7,000 for Tashkent. 2011 Budget Request = \$4,000 for Baku and \$0 for Tashkent).

In 2010, the Regional Office operations in Baku were normal, and this office should have the same level of operational expenses in 2011. In Tashkent, no new program or project activity could be started and all STCU-Uzbek projects were completed in 2009. The Regional Office in Uzbekistan was closed on 30 June 2010 due to this lack of active operations in Uzbekistan.

Regional Officer Travel (2010 Budget Allocation = \$8,000: \$3,000 for Baku and \$5,000 for Tashkent. 2011 Budget Request = \$3,000 for Baku and \$0 for Tashkent).

In 2010, the Azeri Regional Officer traveled to Ukraine to attend Regional Officer Meeting at the STCU Headquarters and also traveled within his regions of responsibility. In 2011, the expected Azeri Regional Office travel will be similar to that in 2010. In 2010, the Uzbek Officer traveled to Kyiv several times for discussions with STCU Management about the situation in Uzbekistan and the STCU Regional Office in Tashkent. With the Uzbek Regional Office closed as of 30 June 2010, the Uzbek Regional Officer was let go and thus there will be no Uzbek Regional Officer travel planned for 2011.

Sustainability Promotion Department Budget Request for 2011

	2010 Budgeted	2010 Actual	2011 Request	Change from 2010
Staff				
- Local	8	8	7	-1
- Party	1	1	1	0
Staff Total	9	9	8	-1
Staff Support				
- Staff Training	12,500	7,619	10,426	-2,074
- RO Operations				
Travel	8,000	8,000	3,000	-5,000
Overhead	11,000	3,092	4,000	-7,000
Staff Support Total	31,500	18,712	17,426	-14,074
SB Programs				
Shared SB Programs				



- Bus. Train/Sus. Oper.	136,432	122,129	150,000	+13,568
- Patent Support	30,033	29,334	20,000	-10,033
- Institute Sustainability	30,033	29,998	0	-30,033
Party SB Programs				
- Tech., Collab., Cont. Travel (US)	30,000	24,536	30,000	0
SB Programs Total	226,498	205,997	200,000	-26,498
Department Total				
- Staff	9	9	8	-1
- Funding	257,998	224,709	217,426	-40,572

Performance / Public Outreach Department

The Department performs data gathering and analysis of STCU activities to assist the STCU executive staff and the Parties in evaluating and improving the STCU performance and effectiveness. The Department coordinates the registration and processing of STCU project proposal applications (including Host Government Concurrence), The Department also produces the documents, finished reports, and promotional materials required for STCU program activities, as well as provide the STCU with promotional materials for its own public outreach. Finally, the Department oversees the general relations between STCU and the Recipient Party governmental agencies with regards to STCU programs and activities.

Project Registration Management

Given the tenor of Advisory Committee discussions on the future STCU strategy, it is possible that the current “open, continuous” registration of Regular Project proposals could be replaced by a narrower and selective “targeted call for proposals” connected to Targeted Research Programs. Under this scenario, Project Proposal Registration and Processing would undergo significant changes, which would directly impact the Department workload (particularly the Project Information Officer). The Department will stay ready to adjust staff workload should these changes in proposal submission process be approved by the Governing Board in the next year.

Recipient Government Relations

In addition, the Department has been busy keeping abreast of the changes within the Ukrainian government as these impact STCU relations with that government. In early 2010, a new Ukrainian government was installed and changes to the Ministry of Education and Science of Ukraine resulted in splitting the Ukrainian science and technology policy from this Ministry. However, the State Committee on Scientific, Technological, and Innovative Policy was not made fully operational over the course of 2010, due to continued political discussions and personnel changes within the Ukrainian Cabinet of Ministers. The Department has attempted to stay in close contact with senior Ukrainian governmental officials to assess the ultimate impact of these changes on STCU activities (primarily, the Ukrainian Host Government Concurrence process).



The Department also continued its liaison work with the National Space Agency of Ukraine, in particular with the 2011 plans for STCU-NSAU cooperative activities and with the planning of the Canadian Aerospace mission in March 2010 (which was subsequently postponed by the Ukrainian side due to the Ukrainian government changes).

Targeted R&D Initiatives (2010 Budget Allocation = 0. 2011 Budget Request = approximately €300,000-€500,000 of INTAS program liquidation funds, depending on the final decision on the division of funds between ISTC and STCU).

The Department will assume program responsibility over the four existing Targeted R&D Initiative programs from the Technology Advancement Department. In addition, the Department will take primary responsibility for management any new TRDI initiatives that the Governing Board approves in the future.

Among these new initiatives is the proposed STCU-National Space Agency of Ukraine TRDI that would be funded primarily using funds donated to STCU by the INTAS liquidation process. While the exact framework of this program has yet to be agreed upon, STCU envisions either a new Targeted Research Program (similar to the Nuclear Forensics TRP approach) or a new Targeted R&D Initiative using the same cooperative frameworks as the current TRDIs. Whatever cooperative framework is chosen, the STCU funding for this new STCU-NSAU initiative will include the anticipated donation of approximately €1 million in INTAS program liquidation funds that was jointly awarded to ISTC and STCU at the 16 June 2010 INTAS General Assembly. The STCU share of this amount is yet to be decided with ISTC, but STCU Management expects it to be approximately €300,000-€500,000.

Printing and Reproduction (2010 Budget Allocation = \$19,000: \$10,000 for 2009 Annual Report, \$9,000 for Brochures and Other Marketing Materials. 2011 Budget Request = \$18,000: \$7,000 for 2010 Annual Report Publication, \$11,000 for News Articles/Promotional Materials).

Performance in 2010

The Department managed the production of the following:

- Annual Report 2009. 400 English language hard-copies (\$3,500).
- STCU 15th Anniversary Brochure (\$2,000).
- 15th Anniversary souvenir production (e.g., items with the 15th Anniversary logo - \$5,000 - 7,000).
- Governing Board and Advisory Committee meeting binders (\$1,000).
- Pamphlets and brochures for STCU workshops and Partnership Promotion road-shows (\$1,000).

Plan for 2011



The Department will continue publicizing STCU activities, successes and opportunities in 2011, including a possible dedicated effort to purchase space in printed news media to highlight the contributions of STCU to the general public.

- 2010 Annual Report. The 2011 Annual Report budget request will remain at the same in 2010, with any printing cost increase absorbed by printing fewer copies.
- Brochures, News Articles, and Other Promotional Materials. The budget request is slightly more than the approved 2010 budget due to the increasing need of materials during a significantly bigger number of events in frame of Party-directed Partners Promotion programs. The Department will also continue to provide print and electronic copy of STCU news articles, brochures and support materials for STCU-planned events and for other opportunities.

Performance Measures (2010 Budget Allocation = \$5,000 from Other Professional Services. 2011 Budget Request = \$5,000 from Other Professional Services).

Performance in 2010

- Annual Sustainability Survey 2009. The survey was carried out within Ukraine, Azerbaijan, Georgia, and Moldova. An electronic version of the final report will be published on the STCU Web Site, in the Documents Center. The 2010 round of this annual survey will begin prior to the end of the year, with a target completion date in mid-2011
- Regional Offices Survey. The Regional Offices continued to make use of the standard, on-line report form to record individual office activities and production during 2010.
- Workshops and Partner Promotion Road-show Evaluations. At the request of the Executive Director, performance evaluations will be performed on several 2010 STCU events, plus follow-up evaluations on previous STCU events. These evaluations will be used to adjust the plans and budgets of those STCU events proposed for 2011.

Plan for 2011

The Department will complete the 2010 Annual Sustainability Survey and prepare, organize, and conduct the 2011 Survey to provide current and comparative data on STCU performance and state of affairs at the technical unit level. After the 2011 Survey is begun, the Department will evaluate the results and trends in all of the Annual Surveys and assess whether the Survey should be continued on an annual basis, and whether modifications to the Survey are needed. The Department will also continue monitoring the Regional Office activities and performance data. Finally, the Department anticipates that it will begin standard performance evaluations of all STCU Supplemental Budget Program activity conducted in 2011.



Staff Training (2010 Budget Allocation = \$4,000. 2010 Budget Request = \$5,957)

Performance in 2010

The Department staff has started the Project Management preparation course in the Project Management Institute.

Plan for 2011

In 2011, the Department will receive a calculated share of the fixed, overall budget for all STCU staff training. Within its budget share, the Department plans to pursue a similar level of staff-chosen training in professional development and with skills development in their areas of job responsibility.

Staff Travel (Consolidated into the single AOB request under Executive Director Office Section).

The level of non-project-related, non-SB-supported Department staff travel in 2011 is expected to be similar as that in 2010. Most of the Department staff travel in 2011 will be conducted under Supplemental Budget programs, and any AOB-related staff travel will be conducted on an *ad hoc* basis with the approval of the Executive Director. Party-Designated Supplemental Budget funds will be used for STCU staff travel only when the relevant Party requests such STCU staff travel.

Public Outreach/Performance Department Budget Request for 2011

	2010 Planned	2010 Actual	2011 Request	Change from 2010
Staff				
- Local	5	5	5	0
- Party	0	0	0	0
Staff Total	5	5	5	0
Staff Support				
- Staff Training	4,000	3,016	5,957	+1,957
Staff Support Total	4,000	4,166	5,957	+1,957
AOB Programs				
- Printing and Reproduction	19,000	13,374	18,000	-1,000
- Other Prof. Services	5,000	5,000	5,000	0
Programs Total	24,000	18,374	23,000	-1,000
Department Total				
Staff	5	5	5	0
Funding	\$28,000	\$22,540	\$28,957	+957



STCU 2011 BUDGET REQUEST SUMMARY FOR USD-BASED BUDGET LINE

	ED	AO	FO	IT	SE	TA	SP	PO	Line Total
Staff (# in 2010)									
Party	1 (1)	1 (1)	1 (1)	1 (1)	1(1)	1 (1)	1 (1)	0 (0)	7 (7)
Local	1 (1)	12 (12)	8 (9)	3 (3)	7 (7)	9 (8)	7 (8)	5 (5)	52 (53)
Part-Time	0 (0)	3 (3)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	3 (3)
Total Staff - Full Time	2 (2)	13 (13)	9 (10)	4 (4)	8 (8)	10 (9)	8 (9)	5 (5)	59 (60)FT
Total Staff - Part Time		3 (3)	0 (0)	0 (0)	0 (0)	0(0)	0 (0)	0 (0)	3 (3) PT
Staff Support									
Travel (Int'l)	40,000	-	-	-	-	-	-	-	40,000
Travel (CIS)	100,000	-	-	-	-	-	-	-	100,000
Training	1,489	11,915	11,915	4,468	10,426	13,404	10,426	5,957	70,000
Dept. Staff Supp.	141,489	11,915	11,915	4,468	10,426	13,404	10,426	5,957	210,000
Programs (AOB)									
Representation	10,000	-	-	-	-	-	-	-	10,000
Fixed Assets	-	9,000	-	-	-	-	-	-	9,000
New Car/Veh Ops	-	60,000	-	-	-	-	-	-	60,000
Printing and Rep.	-	-	-	-	-	-	-	18,000	18,000
IT Hardware	-	-	-	4,600	-	-	-	-	4,600
IT Software	-	-	8,800	2,700	-	-	-	-	11,500
Oth. Prof. Services	-	-	4,750	2,250	-	-	-	5,000	12,000
Regional Offices	-	-	-	-	7,000	27,000	7,000	-	41,000
Dept. Total (AOB)	10,000	69,000	13,550	9,550	7,000	27,000	7,000	23,000	166,100
Shared Supp. Budget Programs (SB)									
Bus. Training/Sus. Support	-	-	-	-	-	-	150,000	-	150,000
Patent/IPR	-	-	-	-	-	-	20,000	-	20,000
Workshops/Seminars	-	-	-	-	15,000	-	30,000	-	45,000
Institute Sustainability	-	-	-	-	-	-	-	-	-
Supp. Budget Programs (SB)	-	-	-	-	15,000	-	200,000	-	215,000
Party Specific Supp. Budgets (SB)									
Tech., Coll. & Cont. Trav.	-	-	-	-	-	-	30,000	-	30,000
Travel & Mob. Support	-	-	-	-	-	160,000	-	-	160,000
Biosecurity & Biosafet	-	-	-	-	-	100,000	-	-	100,000
Partner Prom & Supp.	-	-	-	-	-	370,000	-	-	370,000
Dept. Total Prgms Voluntary (SB)	-	-	-	-	-	630,000	30,000	-	660,000
Total Request									
Staff	2	13	9	4	8	10	8	5	59 full
	0	3	0	0	0	0	0	0	3 part
Funding	151,489	80,915	25,465	14,018	32,426	670,404	247,426	28,957	1,251,100



STCU 2011 BUDGET REQUEST SUMMARY FOR EUR-BASED BUDGET LINES
(Solely Funded EU SB Budgets Only)

	ED	AO	FO	IT	SE	TA	SP	PO	Line Total
Solely Funded EU Programs (SB)									
EU Designated Tech. Collab., and Cont. Travel Support	-	-	-	-	€15,000	-	-	-	€15,000
EU Patent Support	-	-	-	-	€5,000	-	-	-	€5,000
EU Designated Travelers & Partner Promotion	-	-	-	-	€35,000	-	-	-	€35,000
EU Expert Review and Advisors	-	-	-	-	€70,000	-	-	-	€70,000
EU Seminars & Workshops	-	-	-	-	-	-	-	-	-
Partner Promotion & Support	-	-	-	-	€200,000	-	-	-	€200,000
Total Request Funding	-	-	-	-	€325,000	-	-	-	€325,000

SCIENCE AND TECHNOLOGY CENTER IN UKRAINE - STCU
Draft 2011 Administrative Operating Budget 01 January - 31 December, 2011

	2010 Budget	Spent as of 30-Sep-10	Projected Final 3 Mo. Exp	Projected Final 2010 Exp.	Projected Remaining 10 Budget	2011 Budget Request	% Change in AOB Line Y-O-Y	Note
Personnel								
LOCAL GRANT PAYMENTS	\$ 806 380	\$ 586 975	\$ 200 000	\$ 786 975	\$ 19 405	\$ 817 934	1.43%	1
STAFF EDUCATION & TRAINING	\$ 92 900	\$ 44 667	\$ 36 125	\$ 80 792	\$ 12 108	\$ 70 000	-24.65%	2
EMPLOYEE MORALE & WELFARE	30 000	21 760	10 117	31 877	(1 877)	30 000	0.00%	3
MEDICAL & DENTAL PLANS	96 250	67 321	21 908	89 229	7 021	96 250	0.00%	4
Subtotal	\$ 1 025 530	\$ 720 723	\$ 268 150	\$ 988 873	\$ 36 657	\$ 1 014 184	-1.11%	
Travel								
INTERNATIONAL TRAVEL	\$ 45 000	\$ 13 777	\$ 15 601	\$ 29 378	\$ 15 622	\$ 40 000	-11.11%	5
ED	55 000	24 978	13 102	38 080	16 920	35 000	-36.36%	
LOCAL TRAVEL	16 125	11 145	3 916	15 061	1 064	16 125	0.00%	7
Subtotal	\$ 191 125	\$ 115 330	\$ 42 863	\$ 158 193	\$ 32 932	\$ 156 125	-18.31%	
Office Operations								
REPRESENTATION	\$ 10 000	\$ 4 106	\$ 4 035	\$ 8 141	\$ 1 859	\$ 10 000	0.00%	8
POSTAGE AND DELIVERY	11 000	7 218	4 563	11 771	(771)	11 000	0.00%	9
CUSTOMS STORAGE	1 000	600	392	992	8	1 500	50.00%	10
GENERAL OFFICE SUPPLIES	30 800	14 203	10 981	25 184	5 616	30 800	0.00%	11
OFFICE EQUIPMENT REPAIR/MAINT	3 000	397	1 325	1 722	1 278	3 000	0.00%	12
VEHICLE OPERATIONS	30 000	18 154	10 483	28 637	1 363	30 000	0.00%	13
PRINTING AND REPRODUCTION	19 000	5 391	7 983	13 374	5 626	18 000	-5.26%	14
TELECOMMUNICATIONS SERVICES	60 000	36 853	12 888	49 741	10 259	50 000	-16.67%	15
BUSINESS MEETINGS & CONFERENCES	14 000	11 652	3 139	14 791	(791)	6 000	-57.14%	16
SUBSCRIPTIONS AND PUBLICATIONS	6 750	3 118	3 028	6 146	604	6 750	0.00%	17
BUILDING SUPPLIES	13 200	8 794	3 490	12 284	916	13 200	0.00%	19
BRANCH OFFICES OVERHEAD	\$ 59 000	\$ 23 845	\$ 20 569	\$ 44 414	\$ 14 586	\$ 41 000	-30.51%	20
INSURANCE EXPENSE	11 550	6 933	2 796	9 729	1 821	11 550	0.00%	21
BANK FEES - OFFSHORE	55 000	42 778	14 259	57 037	(2 037)	60 000	9.09%	22
BANK FEES - ONSHORE	25 000	18 682	6 227	24 909	91	25 000	0.00%	23
Subtotal	\$ 349 300	\$ 202 724	\$ 106 148	\$ 308 872	\$ 40 428	\$ 317 800	-9.02%	
Contracted Services								
LEGAL SERVICES	\$ 10 000	\$ 4 250	\$ 2 817	\$ 7 067	\$ 2 933	\$ 5 000	-50.00%	25
ACCOUNTING AND AUDITING	95 160	91 000	-	91 000	4 160	79 930	-16.00%	26
OTHER PROFESSIONAL	19 250	804	5 000	5 804	13 446	12 000	-37.66%	27
Subtotal	\$ 124 410	\$ 96 054	\$ 7 817	\$ 103 871	\$ 20 539	\$ 96 930	-22.09%	
Subtotal Recurring Costs	\$ 1 690 365	\$ 1 134 831	\$ 424 978	\$ 1 559 809	\$ 130 556	\$ 1 585 039	-6.23%	
Contingency - Recurring	10 000	-	-	-	10 000	10 000	0.00%	35
Total Recurring Costs	\$ 1 700 365	\$ 1 134 831	\$ 424 978	\$ 1 559 809	\$ 140 556	\$ 1 595 039	-6.19%	
Facilities								
FACILITY IMPROVEMENTS	\$ 2 000	\$ 183	\$ 817	\$ 1 000	\$ 1 000	\$ 2 000	0.00%	28
FURNITURE & FIXTURES	3 000	-	1 500	1 500	1 500	3 000	0.00%	29
TELECOMMUNICATIONS EQUIPMENT	-	-	-	-	-	-	#DIV/0!	30
OFFICE EQUIPMENT	4 000	1 043	1 650	2 693	1 307	4 000	0.00%	31
VEHICLE PURCHASE	-	-	-	-	-	30 000	#DIV/0!	32
COMPUTER HARDWARE	24 775	16 277	8 250	24 527	248	4 600	-81.43%	33
COMPUTER SOFTWARE	19 200	17 492	1 700	19 192	8	11 500	-40.10%	34
Subtotal Non-Recurring Costs	\$ 52 975	\$ 34 996	\$ 13 917	\$ 48 913	\$ 4 062	\$ 55 100	4.01%	
Contingency - Non-Recurring	25 000	-	-	-	25 000	25 000	0.00%	35
Total Non-Recurring Costs	\$ 77 975	\$ 34 996	\$ 13 917	\$ 48 913	\$ 29 062	\$ 80 100	2.73%	
TOTAL BUDGET:	\$ 1 778 340	\$ 1 169 827	\$ 438 895	\$ 1 608 722	\$ 169 618	\$ 1 675 139	-5.80%	



1.	Local Grant Payments.	\$817,934
	52 Full-Time Staff (5% raise, 0% bonus)	\$799,934
	Supplemental Security	<u>18,000</u>
	Total	\$817,934
2.	Staff Education & Training.	\$70,000
	a. Training for ED and ED's secretary..	
	Cost of Training:	\$ 1,489
	b. Training for SDED and his direct reports.	
	Cost of Training:	\$ 5,957
	c. Training for DED-EU and his direct reports.	
	Cost of Training:	\$10,426
	d. Training for DED-CA and his direct reports.	
	Cost of Training:	\$13,404
	e. Training for DED-US and his direct reports.	
	Cost of Training:	\$10,426
	f. Training for CFO and Finance and IT Departments.	
	Cost of Training:	\$16,383
	g. Training for CAO and Administrative Department.	
	Cost of Training:	\$11,915
	Total cost of Staff Education and Training	\$70,000
3.	Employee Morale and Welfare.	\$30,000
	Center subsidizes 100% of the cost of lunch for staff members. Furthermore, includes cost of bereavement contributions, Christmas and birthday activities, family functions, and special occasions.	
	Total Cost:	\$30,000
4.	Medical & Dental Plans	\$96,250
	- Medical Plan	\$80,000
	- Dental Plan (Maximum \$250/family)	<u>\$16,250</u>
	Total Cost	\$96,250



5. International Travel. \$40,000

a. Senior STCU staff travel (including Advisory Committee Meetings) as required and approved by the Executive Director.

Cost: \$20,000

b. Other travel associated with management and staff.

Cost: \$20,000

Total Cost: \$40,000

6. Travel within the CIS. \$100,000

a. Monitoring in Azerbaijan, Ukraine, Georgia, and Moldova.

Cost: \$65,000

b. Secretariat trips to non-Kyiv cities in Ukraine, as well as travel to Georgia, Moldova, and Azerbaijan, including possible Governing Board to be held outside of Kyiv.

Cost: \$35,000

Total Cost: \$100,000

7. Local Travel. \$16,125

Consists of taxis utilized by STCU staff when STCU vehicles are unavailable. Also, includes cost of providing transport to and from Kyiv Polytechnic Metro Station to the STCU headquarters in the mornings and at night (for 3 months – Dec., Jan., and Feb.), as well as the cost of providing secured cash transport to and from the STCU's bank (as per the auditor's recommendation to the Governing Board).

- Taxis	\$ 6,000
- Secure Cash Transport	\$ 5,625
- Bus to and from Kyiv Headquarters	<u>\$ 4,500</u>
Total Cost	<u>\$16,125</u>

8. Representation. \$10,000

Maintained same as 2010.



9.	Postage and Delivery.	\$11,000
	Maintained same as 2010.	
10.	Customs Storage.	\$1,500
	Increased by \$500 from 2010 budget.	
11.	General Office Supplies.	\$30,800
	Maintained same as 2010.	
12.	Office Equipment Repair/Maintenance.	\$3,000
	Maintained same as 2010.	
13.	Vehicle Operations.	\$30,000
	Maintained same as 2010.	
14.	Printing and Reproduction.	\$18,000
	- Annual Report	\$9,000
	- Brochures and Marketing Materials	<u>\$9,000</u>
	Total Cost	\$18,000
15.	Telecommunications Services.	\$50,000
	Decreased from \$60K in 2010 because of increased use of technology (skype, inst. Messenger, etc.).	
16.	Business Meetings and Conferences.	\$6,000
	a. Board meetings.	2 * 1,500 = \$3,000
	b. Advisory committee meetings.	2 * 500 = \$1,000
	c. IO and FO Meetings	2 * 1,000 = <u>\$2,000</u>
	Total cost of business meetings and conferences:	\$6,000
17.	Subscriptions and Publications.	\$6,750
	Maintained same as 2010.	
18.	Public Affairs.	\$0



In the past utilized for financial support of conferences; however, eliminated in 2007 due to cost cutting measures.

19.	Building Supplies.	\$13,200
	Maintained same as 2010.	
20.	Branch Offices.	\$41,000
	- Tbilisi	7,000
	- Baku	7,000
	- Chisinau	7,000
	- Tashkent	Eliminated
	- Kharkiv	13,000
	- Dnipropetrovsk	Eliminated
	- Lviv	<u>7,000</u>
	Total Cost	<u>\$41,000</u>
21.	Insurance Expense.	\$11,550
	Three vehicles, the contents of the building and life insurance for the local staff.	
	- Vehicles	\$5,000
	- Assets	\$3,500
	- Staff Life Insurance	<u>\$3,050</u>
	Total Cost	<u>\$11,550</u>
22.	Bank Fees Off-shore.	\$60,000
	Based on forecasted 2011 STCU transactions.	
23.	Bank Fees On-shore.	\$25,000
	Fees charged by STCU's local banks (Ukraine, Azerbaijan, and Georgia) to conduct operations. Based on forecasted 2011 STCU transactions.	
24.	Legal Services.	\$5,000
	Increased from \$10K in 2010 to \$5K in 2011 because of currently stable premises situation.	
25.	Accounting and Auditing	\$79,930
	The 2010 and 2011 financial audits contract were awarded to Lubbock Fine. According to the contract, the 2010 Financial Audit will cost \$79,930.	
26.	Other Professional Support.	\$12,000



	- Off-Site Backup Tape Storage	\$ 2,250	
	- Performance Measures	\$ 5,000	
	- Navision Consulting	<u>\$ 4,750</u>	
	Total Cost	\$ 12,000	
27.	Facility Improvements.		\$2,000
	Maintained Same as 2010.		
28.	Furniture and Fixtures.		\$3,000
	Maintained Same as 2010.		
29.	Telecommunications Equipment.		\$0
	Maintained Same as 2010.		
30.	Office Equipment.		\$4,000
	Maintained Same as 2010.		
31.	Vehicle Purchase.		\$30,000
	Net funds required to purchase new station wagon, after sale of STCU's current Peugeot.		
32.	Computer Hardware.		\$4,600
	Other Miscellaneous	\$4,600	
33.	Computer Software.		\$11,500
	Navision Maintenance Fee	\$ 8,000	
	Other Miscellaneous	<u>3,500</u>	
	Total	\$11,500	
34.	Contingency.		\$35,000
	Normal Recurring Contingency	<u>\$10,000</u>	
	Total Recurring Contingency	\$10,000	
	Normal Non-Recurring Contingency	<u>\$25,000</u>	
	Total	\$35,000	

Supplemental Programs Budget Request 2011 (For the EU these costs are associated with BFA 2010 Article 1.1)

	BUDGET ITEM	2010 APPROVED (USD)	2010 FORECASTED SPENT (USD)	2010 APPROVED (EUR)	2010 FORECASTED SPENT (EUR)	2011 REQUESTED (USD)	2011 REQUESTED (EUR)	2011 EU Pledged (EUR)	2011 US Pledged (USD)	2011 Canada Pledged (USD)
In-Place Shared Supplemental Programs										
4.01	Business Training/Sustainability Support	136,432	122,380	x	x	150,000	x	38,462	50,000	50,000
5.01	Patent Support	30,033	29,334	x	x	20,000	x	5,128	6,667	6,667
9.01	Seminars/Workshops	58,633	25,357	x	x	45,000	x	11,538	15,000	15,000
13.01	Institute Sustainability Program	30,033	29,998	x	x	x	x	x	x	x
In-Place Party Designated Supplemental Programs										
1.01	Technic., Collabor., Cont. Travel Supp. - US	30,000	24,536	x	x	30,000	x	x	30,000	x
1.02	Technic., Collabor., Cont. Travel Supp. - EU	x	x	15,000	15,196	x	15,000	25,000	x	x
1.03	Technic., Collabor., Cont. Travel Supp. - CA	120,000	19,592	x	x	x	x	x	x	x
5.03	Patent Support - EU	x	x	5,000	0	x	5,000	5,000	x	x
6.03	Travel and Mobility Support - EU	x	x	70,000	70,622	x	35,000	40,000	x	x
6.06	Travel and Mobility Support - CA	250,000	118,473	x	x	160,000	x	x	x	160,000
08.01	Expert Review & Advisors - EU	x	x	90,000	35,570	x	70,000	50,000	x	x
9.02	Seminars/Workshops - EU	x	x	20,000	3,157	x	0	5,000	x	x
10.01	Service Contracts - US	850,000	780,533	x	x	730,000	x	x	730,000	x
10.03	Service Contracts - CA	260,000	274,548	x		294,000	x	x	x	294,000
14.01	Biosecurity & Biosafety - CA	400,000	225,531	x	x	100,000	x	x	x	100,000
15.01	Partner Promotion & Support -CA	250,000	81,092	x	x	370,000	x	x	x	370,000
16.01	Partner Promotion Support - EU	x	x	200,000	61,654	x	200,000	200,000	x	x
TOTAL CONTRIBUTION		2,415,131	1,731,374	400,000	186,199	1,899,000	325,000	380,128	831,667	995,667

x = No Funding Required

(For the EU these costs are associated with BFA 2010 Article 1.2)

	BUDGET ITEM	2010 APPROVED (EUR)	2010 FORECASTED SPENT (EUR)	2011 REQUESTED (Euro)	2011 PLEDGED (Euro)
In-Place Party Designated Supplemental Programs					
10.02	Service Contracts - EU	360,000	332,461	375,000	375,000

Project #	Partner Name if Partner Project	U.S. Amount Funded Total	CA Amount Funded Total	EU Amount Funded Total	Total Funded by All FPs	Duration of Project in Months	# of Months in 2011 project active	U.S. Amount Budgeted in 2011	CA Amount Budgeted in 2011	EU Amount Budgeted in 2011	Total Amount Budgeted in 2011
3623		\$0,00	\$201 118,00	\$0,00	\$201 118,00	36	3	\$0,00	\$16 759,83	\$0,00	\$16 759,83
3829(R)		\$0,00	\$210 690,00	\$0,00	\$210 690,00	36	12	\$0,00	\$70 230,00	\$0,00	\$70 230,00
3832		\$0,00	\$198 472,00	\$0,00	\$198 472,00	30	4	\$0,00	\$26 462,93	\$0,00	\$26 462,93
3856		\$0,00	\$0,00	\$150 458,10	\$150 458,10	35	1	\$0,00	\$0,00	\$4 298,80	\$4 298,80
3913		\$0,00	\$0,00	\$243 937,20	\$243 937,20	36	12	\$0,00	\$0,00	\$81 312,40	\$81 312,40
3927		\$0,00	\$264 531,00	\$0,00	\$264 531,00	36	8	\$0,00	\$58 784,67	\$0,00	\$58 784,67
3979(A)		\$0,00	\$60 362,00	\$0,00	\$60 362,00	12	7	\$0,00	\$35 211,17	\$0,00	\$35 211,17
3998		\$0,00	\$239 898,00	\$0,00	\$239 898,00	36	12	\$0,00	\$79 966,00	\$0,00	\$79 966,00
4073		\$0,00	\$0,00	\$177 214,70	\$177 214,70	36	10	\$0,00	\$0,00	\$49 226,31	\$49 226,31
4082		\$0,00	\$0,00	\$188 734,00	\$188 734,00	36	1	\$0,00	\$0,00	\$5 242,61	\$5 242,61
4182		\$0,00	\$0,00	\$176 148,70	\$176 148,70	36	12	\$0,00	\$0,00	\$58 716,23	\$58 716,23
4207		\$0,00	\$300 000,00	\$0,00	\$300 000,00	30	9	\$0,00	\$90 000,00	\$0,00	\$90 000,00
4216		\$0,00	\$0,00	\$292 912,10	\$292 912,10	20	2	\$0,00	\$0,00	\$29 291,21	\$29 291,21
4231		\$0,00	\$0,00	\$221 278,20	\$221 278,20	38	3	\$0,00	\$0,00	\$17 469,33	\$17 469,33
4294		\$0,00	\$0,00	\$196 878,50	\$196 878,50	36	12	\$0,00	\$0,00	\$65 626,17	\$65 626,17
4301		\$0,00	\$0,00	\$196 024,40	\$196 024,40	24	2	\$0,00	\$0,00	\$16 335,37	\$16 335,37
4390		\$0,00	\$130 197,00	\$122 153,20	\$252 350,20	24	8	\$0,00	\$43 399,00	\$40 717,73	\$84 116,73
4398		\$0,00	\$0,00	\$188 180,20	\$188 180,20	24	1	\$0,00	\$0,00	\$7 840,84	\$7 840,84
4419		\$0,00	\$0,00	\$158 264,60	\$158 264,60	24	1	\$0,00	\$0,00	\$6 594,36	\$6 594,36
4440		\$0,00	\$360 000,00	\$0,00	\$360 000,00	37	8	\$0,00	\$77 837,84	\$0,00	\$77 837,84
4450		\$0,00	\$0,00	\$169 267,80	\$169 267,80	24	12	\$0,00	\$0,00	\$84 633,90	\$84 633,90
4460		\$0,00	\$0,00	\$97 748,30	\$97 748,30	24	1	\$0,00	\$0,00	\$4 072,85	\$4 072,85
4475		\$0,00	\$0,00	\$163 932,60	\$163 932,60	36	9	\$0,00	\$0,00	\$40 983,15	\$40 983,15
4495		\$0,00	\$0,00	\$194 955,80	\$194 955,80	36	9	\$0,00	\$0,00	\$48 738,95	\$48 738,95
4518		\$0,00	\$25 000,00	\$0,00	\$25 000,00	24	1	\$0,00	\$1 041,67	\$0,00	\$1 041,67
4534		\$0,00	\$0,00	\$136 471,40	\$136 471,40	36	9	\$0,00	\$0,00	\$34 117,85	\$34 117,85
4561		\$0,00	\$0,00	\$167 191,70	\$167 191,70	36	9	\$0,00	\$0,00	\$41 797,93	\$41 797,93
4568		\$0,00	\$0,00	\$91 263,90	\$91 263,90	36	9	\$0,00	\$0,00	\$22 815,98	\$22 815,98
4587		\$0,00	\$0,00	\$29 919,50	\$29 919,50	24	1	\$0,00	\$0,00	\$1 246,65	\$1 246,65
4588		\$0,00	\$0,00	\$149 087,90	\$149 087,90	36	9	\$0,00	\$0,00	\$37 271,97	\$37 271,97
4591		\$0,00	\$116 481,00	\$116 168,00	\$232 649,00	36	12	\$0,00	\$38 827,00	\$38 722,67	\$77 549,67
4596		\$0,00	\$0,00	\$194 476,10	\$194 476,10	24	1	\$0,00	\$0,00	\$8 103,17	\$8 103,17
4599		\$0,00	\$0,00	\$229 382,40	\$229 382,40	30	7	\$0,00	\$0,00	\$53 522,56	\$53 522,56
4600		\$0,00	\$0,00	\$186 829,50	\$186 829,50	24	1	\$0,00	\$0,00	\$7 784,56	\$7 784,56
4610		\$249 904,00	\$0,00	\$0,00	\$249 904,00	36	12	\$83 301,33	\$0,00	\$0,00	\$83 301,33
4618		\$0,00	\$0,00	\$225 173,00	\$225 173,00	36	12	\$0,00	\$0,00	\$75 057,67	\$75 057,67
4624		\$150 000,00	\$0,00	\$0,00	\$150 000,00	24	9	\$56 250,00	\$0,00	\$0,00	\$56 250,00
4682		\$0,00	\$0,00	\$117 391,30	\$117 391,30	23	1	\$0,00	\$0,00	\$5 103,97	\$5 103,97
4682		\$0,00	\$0,00	\$117 391,30	\$117 391,30	23	1	\$0,00	\$0,00	\$5 103,97	\$5 103,97
4687		\$0,00	\$130 000,00	\$0,00	\$130 000,00	38	5	\$0,00	\$17 105,26	\$0,00	\$17 105,26
4688		\$0,00	\$103 690,00	\$0,00	\$103 690,00	24	8	\$0,00	\$34 563,33	\$0,00	\$34 563,33

Project #	Partner Name if Partner Project	U.S. Amount Funded Total	CA Amount Funded Total	EU Amount Funded Total	Total Funded by All FPs	Duration of Project in Months	# of Months in 2011 project active	U.S. Amount Budgeted in 2011	CA Amount Budgeted in 2011	EU Amount Budgeted in 2011	Total Amount Budgeted in 2011
4703		\$0,00	\$0,00	\$134 101,50	\$134 101,50	36	12	\$0,00	\$0,00	\$44 700,50	\$44 700,50
4719		\$0,00	\$0,00	\$169 431,60	\$169 431,60	24	1	\$0,00	\$0,00	\$7 059,65	\$7 059,65
4726		\$0,00	\$0,00	\$104 143,00	\$104 143,00	24	7	\$0,00	\$0,00	\$30 375,04	\$30 375,04
4728		\$0,00	\$0,00	\$192 350,60	\$192 350,60	24	12	\$0,00	\$0,00	\$96 175,30	\$96 175,30
4744		\$0,00	\$250 000,00	\$0,00	\$250 000,00	36	12	\$0,00	\$83 333,33	\$0,00	\$83 333,33
4784		\$0,00	\$0,00	\$219 772,80	\$219 772,80	29	12	\$0,00	\$0,00	\$90 940,47	\$90 940,47
4790		\$0,00	\$0,00	\$202 191,60	\$202 191,60	36	12	\$0,00	\$0,00	\$67 397,20	\$67 397,20
4797		\$0,00	\$24 988,00	\$24 921,00	\$49 909,00	24	3	\$0,00	\$3 123,50	\$3 115,13	\$6 238,63
4798		\$46 112,00	\$0,00	\$0,00	\$46 112,00	24	1	\$1 921,33	\$0,00	\$0,00	\$1 921,33
4799		\$0,00	\$24 986,00	\$24 918,40	\$49 904,40	24	4	\$0,00	\$4 164,33	\$4 153,07	\$8 317,40
4801		\$49 970,00	\$0,00	\$0,00	\$49 970,00	24	1	\$2 082,08	\$0,00	\$0,00	\$2 082,08
4802		\$49 800,00	\$0,00	\$0,00	\$49 800,00	24	1	\$2 075,00	\$0,00	\$0,00	\$2 075,00
4804		\$0,00	\$49 976,00	\$0,00	\$49 976,00	24	2	\$0,00	\$4 164,67	\$0,00	\$4 164,67
4818		\$0,00	\$0,00	\$206 408,80	\$206 408,80	24	7	\$0,00	\$0,00	\$60 202,57	\$60 202,57
4819		\$0,00	\$0,00	\$215 688,20	\$215 688,20	36	12	\$0,00	\$0,00	\$71 896,07	\$71 896,07
4827		\$150 000,00	\$0,00	\$0,00	\$150 000,00	25	10	\$60 000,00	\$0,00	\$0,00	\$60 000,00
4841		\$0,00	\$299 871,00	\$0,00	\$299 871,00	36	12	\$0,00	\$99 957,00	\$0,00	\$99 957,00
4863		\$0,00	\$0,00	\$21 977,80	\$21 977,80	24	12	\$0,00	\$0,00	\$10 988,90	\$10 988,90
4872		\$199 482,00	\$199 482,00	\$0,00	\$398 964,00	36	12	\$66 494,00	\$66 494,00	\$0,00	\$132 988,00
4874		\$200 000,00	\$0,00	\$0,00	\$200 000,00	24	9	\$75 000,00	\$200 000,00	\$0,00	\$75 000,00
4875		\$0,00	\$0,00	\$104 856,70	\$104 856,70	30	12	\$0,00	\$0,00	\$41 942,68	\$41 942,68
4876		\$200 000,00	\$200 000,00	\$0,00	\$400 000,00	36	12	\$66 666,67	\$66 666,67	\$0,00	\$133 333,33
4908		\$0,00	\$0,00	\$183 049,10	\$183 049,10	36	12	\$0,00	\$0,00	\$61 016,37	\$61 016,37
4947		\$0,00	\$0,00	\$161 556,20	\$161 556,20	36	12	\$0,00	\$0,00	\$53 852,07	\$53 852,07
4950		\$24 935,00	\$24 936,00	\$0,00	\$49 871,00	24	9	\$9 350,63	\$9 351,00	\$0,00	\$18 701,63
4951		\$0,00	\$24 992,00	\$23 448,10	\$48 440,10	24	8	\$0,00	\$8 330,67	\$7 816,03	\$16 146,70
4953		\$0,00	\$25 000,00	\$23 455,90	\$48 455,90	24	8	\$0,00	\$8 333,33	\$7 818,63	\$16 151,97
4954		\$0,00	\$25 000,00	\$23 455,90	\$48 455,90	24	9	\$0,00	\$9 375,00	\$8 795,96	\$18 170,96
4955		\$24 500,00	\$0,00	\$22 986,60	\$47 486,60	24	9	\$9 187,50	\$0,00	\$8 619,98	\$17 807,48
4956		\$0,00	\$49 500,00	\$0,00	\$49 500,00	24	9	\$0,00	\$18 562,50	\$0,00	\$18 562,50
4957		\$0,00	\$49 995,00	\$0,00	\$49 995,00	24	8	\$0,00	\$16 665,00	\$0,00	\$16 665,00
4960		\$25 000,00	\$25 000,00	\$0,00	\$50 000,00	24	8	\$8 333,33	\$8 333,33	\$0,00	\$16 666,67
4961		\$49 996,00	\$0,00	\$0,00	\$49 996,00	24	7	\$14 582,17	\$0,00	\$0,00	\$14 582,17
4962		\$0,00	\$0,00	\$46 914,40	\$46 914,40	24	9	\$0,00	\$0,00	\$17 592,90	\$17 592,90
4973		\$0,00	\$0,00	\$45 962,80	\$45 962,80	24	8	\$0,00	\$0,00	\$15 320,93	\$15 320,93
4974		\$25 000,00	\$0,00	\$23 455,90	\$48 455,90	24	9	\$9 375,00	\$0,00	\$8 795,96	\$18 170,96
4993		\$17 496,00	\$0,00	\$16 415,10	\$33 911,10	24	9	\$6 561,00	\$0,00	\$6 155,66	\$12 716,66
4996		\$0,00	\$35 000,00	\$0,00	\$35 000,00	18	5	\$0,00	\$9 722,22	\$0,00	\$9 722,22
4999		\$0,00	\$0,00	\$32 791,20	\$32 791,20	18	3	\$0,00	\$0,00	\$5 465,20	\$5 465,20
5001		\$17 500,00	\$17 500,00	\$0,00	\$35 000,00	24	9	\$6 562,50	\$6 562,50	\$0,00	\$13 125,00
5002		\$34 990,00	\$0,00	\$0,00	\$34 990,00	24	9	\$13 121,25	\$0,00	\$0,00	\$13 121,25

Project #	Partner Name if Partner Project	U.S. Amount Funded Total	CA Amount Funded Total	EU Amount Funded Total	Total Funded by All FPs	Duration of Project in Months	# of Months in 2011 project active	U.S. Amount Budgeted in 2011	CA Amount Budgeted in 2011	EU Amount Budgeted in 2011	Total Amount Budgeted in 2011
5008		\$0,00	\$17 500,00	\$16 419,00	\$33 919,00	21	5	\$0,00	\$4 166,67	\$3 909,29	\$8 075,95
5012		\$17 326,00	\$17 326,00	\$0,00	\$34 652,00	24	8	\$5 775,33	\$5 775,33	\$0,00	\$11 550,67
5015		\$0,00	\$0,00	\$32 838,00	\$32 838,00	24	8	\$0,00	\$0,00	\$10 946,00	\$10 946,00
5016		\$0,00	\$0,00	\$32 838,00	\$32 838,00	24	8	\$0,00	\$0,00	\$10 946,00	\$10 946,00
5032		\$0,00	\$0,00	\$156 000,00	\$156 000,00	24	12	\$0,00	\$0,00	\$78 000,00	\$78 000,00
5039		\$0,00	\$0,00	\$147 085,90	\$147 085,90	24	12	\$0,00	\$0,00	\$73 542,95	\$73 542,95
5048		\$11 581,00	\$11 581,00	\$12 044,50	\$35 206,50	12	8	\$7 720,67	\$7 720,67	\$8 029,67	\$23 471,00
5050		\$0,00	\$25 000,00	\$0,00	\$25 000,00	24	12	\$0,00	\$12 500,00	\$0,00	\$12 500,00
5052		\$12 496,00	\$12 496,00	\$0,00	\$24 992,00	24	12	\$6 248,00	\$6 248,00	\$0,00	\$12 496,00
5053		\$11 651,00	\$11 651,00	\$12 117,30	\$35 419,30	24	12	\$5 825,50	\$5 825,50	\$6 058,65	\$17 709,65
5054		\$0,00	\$17 500,00	\$18 200,00	\$35 700,00	24	12	\$0,00	\$8 750,00	\$9 100,00	\$17 850,00
5060		\$12 499,00	\$0,00	\$10 988,90	\$23 487,90	18	8	\$5 555,11	\$0,00	\$4 883,96	\$10 439,07
5062		\$12 500,00	\$0,00	\$10 988,90	\$23 488,90	24	12	\$6 250,00	\$0,00	\$5 494,45	\$11 744,45
5063		\$12 499,00	\$12 499,00	\$0,00	\$24 998,00	24	12	\$6 249,50	\$6 249,50	\$0,00	\$12 499,00
5064		\$0,00	\$25 000,00	\$0,00	\$25 000,00	12	2	\$0,00	\$4 166,67	\$0,00	\$4 166,67
5067		\$0,00	\$0,00	\$207 169,30	\$207 169,30	36	12	\$0,00	\$0,00	\$69 056,43	\$69 056,43
5075		\$24 943,00	\$24 943,00	\$0,00	\$49 886,00	24	12	\$12 471,50	\$12 471,50	\$0,00	\$24 943,00
5076		\$0,00	\$0,00	\$43 954,30	\$43 954,30	12	3	\$0,00	\$0,00	\$10 988,58	\$10 988,58
5078		\$25 000,00	\$25 000,00	\$0,00	\$50 000,00	12	3	\$6 250,00	\$6 250,00	\$0,00	\$12 500,00
5079		\$25 000,00	\$25 000,00	\$0,00	\$50 000,00	24	12	\$12 500,00	\$12 500,00	\$0,00	\$25 000,00
5080		\$0,00	\$49 996,00	\$0,00	\$49 996,00	24	12	\$0,00	\$24 998,00	\$0,00	\$24 998,00
5081		\$25 000,00	\$25 000,00	\$0,00	\$50 000,00	15	8	\$13 333,33	\$13 333,33	\$0,00	\$26 666,67
5082		\$0,00	\$24 992,00	\$21 970,00	\$46 962,00	12	1	\$0,00	\$2 082,67	\$1 830,83	\$3 913,50
5084		\$49 496,00	\$0,00	\$0,00	\$49 496,00	24	12	\$24 748,00	\$0,00	\$0,00	\$24 748,00
5085		\$46 039,00	\$0,00	\$0,00	\$46 039,00	12	2	\$7 673,17	\$46 039,00	\$0,00	\$7 673,17
5148		\$246 724,00	\$0,00	\$0,00	\$246 724,00	36	12	\$82 241,33	\$0,00	\$0,00	\$82 241,33
5204		\$16 625,00	\$16 625,00	\$17 290,00	\$50 540,00	24	12	\$8 312,50	\$8 312,50	\$8 645,00	\$25 270,00
5205		\$24 889,00	\$24 889,00	\$0,00	\$49 778,00	24	12	\$12 444,50	\$12 444,50	\$0,00	\$24 889,00
5212		\$0,00	\$0,00	\$52 000,00	\$52 000,00	24	12	\$0,00	\$0,00	\$26 000,00	\$26 000,00
5213		\$0,00	\$0,00	\$102 960,00	\$102 960,00	24	12	\$0,00	\$0,00	\$51 480,00	\$51 480,00
5219		\$0,00	\$0,00	\$93 600,00	\$93 600,00	24	12	\$0,00	\$0,00	\$46 800,00	\$46 800,00
5249		\$17 000,00	\$0,00	\$17 680,00	\$34 680,00	18	12	\$11 333,33	\$0,00	\$11 786,67	\$23 120,00
5258		\$0,00	\$0,00	\$131 747,20	\$131 747,20	24	12	\$0,00	\$0,00	\$65 873,60	\$65 873,60
P168a	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$49 390,00	\$0,00	\$0,00	\$49 390,00	12	2	\$8 231,67	\$0,00	\$0,00	\$8 231,67
P228a	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$139 200,00	\$0,00	\$0,00	\$139 200,00	21	1	\$6 628,57	\$0,00	\$0,00	\$6 628,57
P263a	U. S. Environmental Protection Agency	\$50 000,00	\$0,00	\$0,00	\$50 000,00	9	2	\$11 111,11	\$0,00	\$0,00	\$11 111,11
P300	U.S. Department of Health and Human Services / Biotechnology Engagement Program	\$249 930,00	\$0,00	\$0,00	\$249 930,00	30	1	\$8 331,00	\$0,00	\$0,00	\$8 331,00

Project #	Partner Name if Partner Project	U.S. Amount Funded Total	CA Amount Funded Total	EU Amount Funded Total	Total Funded by All FPs	Duration of Project in Months	# of Months in 2011 project active	U.S. Amount Budgeted in 2011	CA Amount Budgeted in 2011	EU Amount Budgeted in 2011	Total Amount Budgeted in 2011
P302	U.S. Department of Health and Human Services / Biotechnology Engagement Program	\$207 790,00	\$0,00	\$0,00	\$207 790,00	30	1	\$6 926,33	\$0,00	\$0,00	\$6 926,33
P335	European Office of Aerospace Research and Development	\$90 000,00	\$0,00	\$0,00	\$90 000,00	38	3	\$7 105,26	\$0,00	\$0,00	\$7 105,26
P338	European Office of Aerospace Research and Development	\$62 370,00	\$0,00	\$0,00	\$62 370,00	38	3	\$4 923,95	\$0,00	\$0,00	\$4 923,95
P340	European Office of Aerospace Research and Development	\$60 000,00	\$0,00	\$0,00	\$60 000,00	36	12	\$20 000,00	\$0,00	\$0,00	\$20 000,00
P347	U.S. Department of Health and Human Services / Biotechnology Engagement Program	\$150 000,00	\$0,00	\$0,00	\$150 000,00	36	12	\$50 000,00	\$0,00	\$0,00	\$50 000,00
P371	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$700 000,00	\$0,00	\$0,00	\$700 000,00	36	12	\$233 333,33	\$0,00	\$0,00	\$233 333,33
P374	Department of Energy and Climate Change	\$0,00	\$0,00	\$318 527,00	\$318 527,00	24	1	\$0,00	\$0,00	\$13 271,96	\$13 271,96
P375	European Office of Aerospace Research and Development	\$20 000,00	\$0,00	\$0,00	\$20 000,00	12	2	\$3 333,33	\$0,00	\$0,00	\$3 333,33
P376	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$490 000,00	\$0,00	\$0,00	\$490 000,00	24	12	\$245 000,00	\$0,00	\$0,00	\$245 000,00
P379a	U. S. Environmental Protection Agency	\$25 000,00	\$0,00	\$0,00	\$25 000,00	8	1	\$3 125,00	\$0,00	\$0,00	\$3 125,00
P381	Department of Energy and Climate Change	\$0,00	\$0,00	\$200 710,00	\$200 710,00	24	1	\$0,00	\$0,00	\$8 362,92	\$8 362,92
P382	U.S. Department of Agriculture / Agriculture Research Service	\$300 000,00	\$0,00	\$0,00	\$300 000,00	24	3	\$37 500,00	\$0,00	\$0,00	\$37 500,00
P395	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$480 000,00	\$0,00	\$0,00	\$480 000,00	24	11	\$220 000,00	\$0,00	\$0,00	\$220 000,00
P396	Department of Energy and Climate Change	\$0,00	\$0,00	\$150 798,00	\$150 798,00	24	9	\$0,00	\$0,00	\$56 549,25	\$56 549,25
P399	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$100 000,00	\$0,00	\$0,00	\$100 000,00	18	12	\$66 666,27	\$0,00	\$0,00	\$66 666,27
P402	U.S. Department of Agriculture / Agriculture Research Service	\$300 000,00	\$0,00	\$0,00	\$300 000,00	36	12	\$100 000,00	\$0,00	\$0,00	\$100 000,00
P408	U. S. Environmental Protection Agency	\$225 000,00	\$0,00	\$0,00	\$225 000,00	18	7	\$87 500,00	\$0,00	\$0,00	\$87 500,00
P414	Department of Energy and Climate Change	\$0,00	\$0,00	\$218 144,00	\$218 144,00	24	12	\$0,00	\$0,00	\$109 072,00	\$109 072,00
P415	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$434 000,00	\$0,00	\$0,00	\$434 000,00	24	12	\$217 000,00	\$0,00	\$0,00	\$217 000,00
P416	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$490 000,00	\$0,00	\$0,00	\$490 000,00	24	12	\$245 000,00	\$0,00	\$0,00	\$245 000,00

Project #	Partner Name if Partner Project	U.S. Amount Funded Total	CA Amount Funded Total	EU Amount Funded Total	Total Funded by All FPs	Duration of Project in Months	# of Months in 2011 project active	U.S. Amount Budgeted in 2011	CA Amount Budgeted in 2011	EU Amount Budgeted in 2011	Total Amount Budgeted in 2011
P424	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$462 000,00	\$0,00	\$0,00	\$462 000,00	24	12	\$231 000,00	\$0,00	\$0,00	\$231 000,00
P436	Department of Energy and Climate Change	\$0,00	\$0,00	\$159 619,00	\$159 619,00	21	12	\$0,00	\$0,00	\$91 210,86	\$91 210,86
P437	Department of Energy and Climate Change	\$0,00	\$0,00	\$162 560,00	\$162 560,00	21	12	\$0,00	\$0,00	\$92 891,43	\$92 891,43
P439	Department of Energy and Climate Change	\$0,00	\$0,00	\$132 249,00	\$132 249,00	12	4	\$0,00	\$0,00	\$44 083,00	\$44 083,00
P444	U.S. Department of Agriculture / Agriculture Research Service	\$300 000,00	\$0,00	\$0,00	\$300 000,00	24	12	\$150 000,00	\$0,00	\$0,00	\$150 000,00
P448	U.S. Department of Energy / Initiatives for Proliferation Prevention Program	\$378 000,00	\$0,00	\$0,00	\$378 000,00	24	12	\$189 000,00	\$0,00	\$0,00	\$189 000,00
P449	Department of Energy and Climate Change	\$0,00	\$0,00	\$65 172,00	\$65 172,00	12	4	\$0,00	\$0,00	\$21 724,00	\$21 724,00
P451	Department of Energy and Climate Change	\$0,00	\$0,00	\$135 625,00	\$135 625,00	18	10	\$0,00	\$0,00	\$75 347,22	\$75 347,22
P452	Department of Energy and Climate Change	\$0,00	\$0,00	\$83 535,00	\$83 535,00	18	12	\$0,00	\$0,00	\$55 690,00	\$55 690,00
Unsigned and Forecasted as if signed and started on September 1, 2010											
4570		\$0,00	\$77 500,00	\$80 600,00	\$158 100,00	18	12	\$0,00	\$51 666,67	\$53 733,33	\$105 400,00
5026		\$0,00	\$0,00	\$238 391,40	\$238 391,40	36	12	\$0,00	\$0,00	\$79 463,80	\$79 463,80
5051		\$0,00	\$35 000,00	\$0,00	\$35 000,00	24	12	\$0,00	\$17 500,00	\$0,00	\$17 500,00
5055		\$17 500,00	\$17 500,00	\$0,00	\$35 000,00	24	12	\$8 750,00	\$8 750,00	\$0,00	\$17 500,00
5061		\$17 500,00	\$17 500,00	\$0,00	\$35 000,00	18	12	\$11 666,67	\$11 666,67	\$0,00	\$23 333,33
5128		\$0,00	\$0,00	\$187 421,00	\$187 421,00	30	12	\$0,00	\$0,00	\$74 968,40	\$74 968,40
5208		\$24 250,00	\$24 250,00	\$0,00	\$48 500,00	24	12	\$12 125,00	\$12 125,00	\$0,00	\$24 250,00
5209		\$16 667,00	\$16 667,00	\$17 332,90	\$50 666,90	24	12	\$8 333,50	\$8 333,50	\$8 666,45	\$25 333,45
5210		\$25 000,00	\$25 000,00	\$0,00	\$50 000,00	24	12	\$12 500,00	\$12 500,00	\$0,00	\$25 000,00
5211		\$16 667,00	\$16 667,00	\$17 332,90	\$50 666,90	24	12	\$8 333,50	\$8 333,50	\$8 666,45	\$25 333,45
5214		\$16 613,00	\$16 613,00	\$17 278,30	\$50 504,30	24	12	\$8 306,50	\$8 306,50	\$8 639,15	\$25 252,15
5215		\$0,00	\$0,00	\$52 002,60	\$52 002,60	24	12	\$0,00	\$0,00	\$26 001,30	\$26 001,30
5218		\$0,00	\$0,00	\$51 996,10	\$51 996,10	24	12	\$0,00	\$0,00	\$25 998,05	\$25 998,05
5222		\$25 000,00	\$25 000,00	\$0,00	\$50 000,00	24	12	\$12 500,00	\$12 500,00	\$0,00	\$25 000,00
5228		\$13 333,00	\$13 333,00	\$13 867,10	\$40 533,10	24	12	\$6 666,50	\$6 666,50	\$6 933,55	\$20 266,55
5246		\$0,00	\$0,00	\$34 320,00	\$34 320,00	12	8	\$0,00	\$0,00	\$22 880,00	\$22 880,00
5247		\$17 500,00	\$0,00	\$18 200,00	\$35 700,00	24	12	\$8 750,00	\$0,00	\$9 100,00	\$17 850,00
5251		\$17 500,00	\$17 500,00	\$0,00	\$35 000,00	18	12	\$11 666,67	\$11 666,67	\$0,00	\$23 333,33
5253		\$17 408,00	\$0,00	\$18 103,80	\$35 511,80	24	12	\$8 704,00	\$0,00	\$9 051,90	\$17 755,90
								\$2 995 813,73	\$1 337 137,59	\$3 027 622,49	\$7 360 573,81
								40,70%	18,17%	41,13%	
								80%	80%	80%	

Project #	Partner Name if Partner Project	U.S. Amount Funded Total	CA Amount Funded Total	EU Amount Funded Total	Total Funded by All FPs	Duration of Project in Months	# of Months in 2011 project active	U.S. Amount Budgeted in 2011	CA Amount Budgeted in 2011	EU Amount Budgeted in 2011	Total Amount Budgeted in 2011
								32,56%	14,53%	32,91%	
								0,0667	0,0667	0,0666	
								39,23%	21,20%	39,57%	

ESTIMATED 2010 INVOICES TO FUNDING PARTIES AS OF OCT. 29, 2010

SECTION A - DRAFT 2011 ADMINISTRATIVE OPERATING BUDGET DISTRIBUTION

	USA	CA	EU	TOTAL
Non-Recurring Contingency (1/3 each)	\$8 333	\$8 333	\$8 333	\$25 000
Non-Recurring (1/3 each)	\$18 367	\$18 367	\$18 367	\$55 100
Total Non-Recurring	\$26 700	\$26 700	\$26 700	\$80 100
Recurring (39.23% + 21.20% + 39.57%)	\$621 811	\$336 028	\$627 200	\$1 585 039
Recurring Contingency (39.23% + 21.20% + 39.57%)	\$3 923	\$2 120	\$3 957	\$10 000
Total Recurring	\$625 734	\$338 148	\$631 157	\$1 595 039
TOTAL DRAFT 2011 ADMINISTRATIVE OPERATING BUDGET	\$652 434	\$364 848	\$657 857	\$1 675 139

SECTION B - ESTIMATED 2011 SHARED SUPPLEMENTAL BUDGETS REQUEST DISTRIBUTION *(AWAITING PLEDGES)*

	USA	CA	EU	TOTAL
04 - Business Training/Sustainability Support	To Be Pledged (TBP)	TBP	TBP	
05 - Patent Support	To Be Pledged (TBP)	TBP	TBP	
09 - Seminars/Workshop Support	To Be Pledged (TBP)	TBP	TBP	
13 - Institute Sustainability	To Be Pledged (TBP)	TBP	TBP	
TOTAL 2011 SHARED SUPPLEMENTAL BUDGETS	To Be Pledged (TBP)	TBP	TBP	

SECTION C - PROJECTED 2011 INVOICES TO FUNDING PARTIES *WITHOUT SHARED SBS*

	USA	CA	EU	EU Undesignated	TOTAL
2011 Administrative Operating Budget	\$ 652 433,81	\$ 364 848,26	\$ 657 856,92		\$1 675 138,99
2011 Shared Supplemental Budgets	To Be Pledged (TBP)	TBP	TBP		\$0,00
2011 Non-Shared Funding Party Supplemental Budgets	\$ 760 000,00	\$ 924 000,00	See Table D Below		\$1 684 000,00
Less 2010 Funding Party Interest Earned	\$ -7 193,84	\$ -3 854,59		\$ -13 133,11	-\$24 181,54
Less 2010 Partner Interest (28.11%, 24.59%, 47.30%)	\$ -3 828,80	\$ -3 349,33	\$ -6 442,62		-\$13 620,75
Less 2010 Partner Project Fees (28.11%, 24.59%, 47.30%)	\$ -28 110,00	\$ -24 590,00	\$ -47 300,00		-\$100 000,00
Plus 2010 Bad Debt Expense (1/3 Each)	\$ 4 500,00	\$ 4 500,00	\$ 4 500,00		\$13 500,00
Less 2010 Cash Over (1/3 each)	\$ -	\$ -	\$ -		\$0,00
Plus 2010 Exchange Losses (1/3 each)	\$ 20 000,00	\$ 20 000,00	\$ 20 000,00		\$60 000,00
Less 2010 AOB Non-Recurring Contingency Remaining (1/3 each)	\$ -8 333,34	\$ -8 333,33	\$ -8 333,33		-\$25 000,00
Less 2010 AOB Non-Recurring Remaining (1/3 each)	\$ -1 354,14	\$ -1 354,14	\$ -1 354,14		-\$4 062,42
Less 2010 AOB Recurring Remaining (27.87% + 24.19% + 47.94%)	\$ -36 385,96	\$ -31 581,50	\$ -62 588,55		-\$130 556,01
Less 2010 AOB Recurring Contingency Remaining (27.87% + 24.19% + 47.94%)	\$ -2 787,00	\$ -2 419,00	\$ -4 794,00		-\$10 000,00
Less 2010 Shared SBs remaining	\$ -16 417,61	\$ -16 417,61		\$ -15 478,19	-\$48 313,41
Less 2010 Solely Funded SBs remaining	\$ -74 930,52	\$ -560 764,90		-\$241 340,46	-\$886 035,88
TOTAL 2011 PROJECTED INVOICES TO FUNDING PARTIES	\$ 1 257 592,60	\$ 660 683,86	\$ 551 544,28	No Sum, #s in USD & EU	\$2 469 820,74

SECTION D - 2011 DRAFT EU BUDGET REQUEST DISTRIBUTION IN EUROS BY ARTICLE OF BFA 2010

	EU in USD	EU in Euro assume \$1.30 to 1 Euro
Article 1.1 of BFA 2010		
2011 Shared SBs	TBP	TBP
2011 Request for EU SB 01.02 - Technical, Collaborator, and Contractor Travel Support (Project Related)		€ 15 000
2011 Request for EU SB 05.03 - E.U. Patent Support		€ 5 000
2011 Request for EU SB 06.03 - E.U. Travel and Mobility Support		€ 35 000
2011 Request for EU SB 08.01 - E.U. Tech. Reviewers		€ 70 000
2011 Request for EU SB 09.02 - E.U. Sem. & Workshops		€ 0
2011 Request for EU SB 16.01 - E.U. Partner Promotion and Support		€ 200 000
Total For Article 1.1 of BFA 2010		€ 325 000
Article 1.2 of BFA 2010		
EU Share of '11 AOB Net of interest, remaining '10 AOB, etc.(sum of all shaded in green above)	\$551 544,28	€ 424 265
2011 Request for EU SB 10.01 - E.U. Service Contracts		Need to work with EU to determine
Total Article 1.2 of BFA 2010		€ 424 265
TOTAL PROJECTED 2011 EU BUDGET REQUESTS FOR AOB AND SUPPLEMENTAL BUDGETS (SHARED AND NON-SHARED)	\$551 544,28	€ 749 265



Summary of 2010 STCU AOB & SB Results Jan 1st – September 30th, 2010



1



Summary of 2010 AOB



- Total AOB \$169.6K (9.54%) Forecast to be Underspent
 - Recurring Costs \$140.6K Forecast to be Underspent
 - \$19.4K Local Grants (because of Dnipro & Uzb offices)
 - \$7.0K Medical & Dental (because of Dnipro & Uzb offices)
 - \$15.6K International Travel (Utilized SBs instead)
 - \$16.2K Travel w/in CIS (Utilized SBs instead)
 - \$10.3K Telecomm. Serv. (Use alt. tech = skype, etc.)
 - \$14.6K Regional Offices (Dnipro & Uzb offices)
 - \$13.4K Other Professional Services (Less Navision demand)
 - \$10K Contingency-Recurring

2



Recurring Costs

- Local Grant Payments \$19.4K Forecast Underspent
 - Dnipropetrovsk Officer and accountant positions vacant most of year
 - Uzbek Officer Position eliminated June 30 '10
- Medical \$7.0K Forecast Underspent
 - Because of vacancies discussed above
- Int. Travel \$15.6K Forecast Underspent
 - Increased utilization of SB instead of AOB travel
- Travel w/in CIS \$16.2K Forecast Underspent
 - Increased utilization of SB instead of AOB travel

3



Recurring Costs (cont.)

- Telecomm. Services \$10.3K Forecast Underspent
 - Continued use of alternative technology (i.e. Skype, etc.)
- Regional Offices \$14.6K Forecast Underspent
 - Dnipro office never opened & Tashkent office closed in June
- Other Professional Services \$13.4K Forecast Underspent
 - Consulting services for Navision needed less than expected

4

Shared Supplemental Budgets



- SB Activity 04.01 – Bus. Train./Sus. Support
\$42.1K spent to Sept. 30th
 - CTCO (\$21.9K)
 - CTCO Roundtables in Kyiv, Lviv, Baku, Chisinau, and Tbilisi
 - Partnership Promotion (\$20.2K)
 - Renewable Energy Technology Conference and Exhibition
 - TechConnect World, Anaheim, June '10
- SB Activity 05.01 – Patent Support Fund
\$5.3K spent to Sept. 30th
 - \$4.6K spent on two patents issued to date (#240 and #241)

5

Shared Supplemental Budgets (cont.)



- SB Activity 09.01 – Workshops/Sem. Support
\$23.4K spent to Sept. 30th
 - Grant writing workshop in Kyiv, Kharkiv, Tbilisi, Chisinau, and Baku, July '10

6

EU Supplemental Budgets



- SB Activity 01.02 – Travel and Mobility Support €8.2K spent to Sept. 30th
 - €2.5K Evaluation of Simferopil project in Feb '10
 - €5.7K Other Travelers (i.e. Gallego, Markov, Tavarez, etc.)
- SB Activity 06.03 – Travel and Mobility Support €60.6K spent to Sept. 30th
 - €10.1K UA-Euratom Fission Research in Brussels, Feb. '10
 - €11.1K EBSA conference in Ljubljana, June '10
 - €8.8K Hannover-Messe, April '10
 - €4.2K Meeting at Royal Tech. Inst in Gothenburg, June '10
 - €8.5K Mission to CEN/SCK & Von Karman Institute, July '10

7

EU Supplemental Budgets (cont.)



- SB Activity 08.01 – EU Expert Reviewers €25.6K spent to Sept. 30th
- SB Activity 16.01 – Partner Promotion and Support €31.7K spent to Sept. 30th
 - €20.4K Mission to Cadarache, Barcelona, & Madrid, April '10
 - €7.5K Mission to Ghent & Cern, July '10

8

CA Supplemental Budget



- SB Activity 01.03 – Travel West-East CA
\$11.3K spent to Sept. 30th
 - \$8.7K Ian Butler travel for Grant writing workshop, July '10
 - \$2.6K Sonia Johnson travel to Kyiv, Feb. '10
- SB Activity 06.06 – Travel East-West CA
\$98.5K spent to Sept. 30th
 - \$3.7K Mission to Winnipeg Jan. '10
 - \$28.1K Globe 2010 Conference, Mar. '10
 - \$10.9K Two (2) Nuclear Forensics Mtgs., Feb. and May '10
 - \$29.0K AMOP Technical Seminar, Halifax, June, '10
 - \$12.3K Nano Conference, Ottawa, Aug. '10

9

CA Supplemental Budget (cont.)



- SB Activity 14.01 – BioSecurity and BioSafety
CA \$98.0K spent to Sept. 30th
 - \$18.8K Training for scientists by Int. Center for Infectious Diseases
 - \$8.3K Year 2 of Biosafety Cabinet Train the Trainer
 - \$3.2K EBSA conference in Ljubljana, June '10
 - \$10.0K Biosafety & Biosecurity Conf, NASU, Feb. '10
 - \$1.8K Mission to CWA 15793, Feb. '10
 - \$11.2K Waste Management Conf., Mar. '10
 - \$5.1K Biorisk management standards, Serphukov, Mar. '10
 - \$29.7K Canadian Biosafety Symposium, Winnipeg, June '10
 - \$6.4K Biosafety & Biosecurity, Feodosia, UA Sep. '10

10

CA Supplemental Budget (cont.)



- SB Activity 15.01 – Partner Promotion and Support CA \$61.1K spent to Sept. 30th
 - \$12.6K CA/UA Aerospace Mission, Montreal, Mar. '10
 - \$4.9K Semi-annual Stakeholder, Ottawa, May '10
 - \$12.0K Nuclear Forensics Meeting, Kharkiv, May '10
 - \$28.9K World Energy Congress, Montreal, Sep. '10

11

US Supplemental Budget



- SB Activity 01.01 – Travel West-East US \$16.5K spent
 - \$8.8K Alessi travel to Tbilisi GBM in May '10
 - \$7.6K Gitomer travel to UA and MO for technical audits

12

**SCIENCE AND TECHNOLOGY CENTER IN UKRAINE - STCU
STATEMENT OF SUPPLEMENTAL BUDGET ACTIVITY
as of September 30, 2010**

Activity	Sub-Activity	Supplemental Expense	Budget	Expended as of September 30, '10	Projected 3 mo. Exp.	Total Remaining Budget
01	TECHNIC., COLLABOR., CONT. TRAV. SUPP.		\$ 150000 + € 15000	\$ 27831.93 + € 8196.49	16295.81 + € 700	\$ 105872.26 + € -196.49
	- U.S. DESIGNATED TRAVELERS		\$ 30 000,00	\$ 16 536,03	\$ 8 000,00	\$ 5 463,97
	- E.U. DESIGNATED TRAVELERS		\$ 15 000,00	\$ 8 196,49	\$ 7 000,00	\$ (196,49)
	- C.A. DESIGNATED TRAVELERS		\$ 120 000,00	\$ 11 295,90	\$ 8 295,81	\$ 100 408,29
04	BUSINESS TRAINING/SUSTAIN. SUPP.					
	- SHARED		\$ 136 432,30	\$ 41 128,51	\$ 81 000,00	\$ 14 303,79
05	PATENT SUPPORT		\$ 30033.1 + € 5000	\$ 5334.12 + € 0	\$ 24000 + € 0	\$ 698.98 + € 5000
	- SHARED		\$ 30 033,10	\$ 5 334,12	\$ 24 000,00	\$ 698,98
	- EU DESIGNATED		\$ 5 000,00	\$ -	\$ -	\$ 5 000,00
06	TRAVEL AND MOBILITY SUPPORT		\$ 610334.98 + € 70000	\$ 178907.45 + € 60622.15	\$ 35000 + € 10000	\$ 94727.53 + € -622.1499999999
	- U.S. DESIGNATED TRAVELERS		\$ -	\$ -	\$ -	\$ -
	- E.U. DESIGNATED TRAVELERS		\$ 70 000,00	\$ 60 622,15	\$ 10 000,00	\$ (622,15)
	- PARTNER DESIGNATED TRAVELERS		\$ 311 353,10	\$ 62 956,70	\$ 5 000,00	\$ 241 696,40
	06.04.01 U.S. Department of Agriculture		\$ 132 362,48	\$ 1 706,59	\$ -	\$ 130 655,89
	06.04.02 U.S. National Cancer Institute		\$ 40 486,05	\$ -	\$ -	\$ 40 486,05
	06.04.03 U.S. Department of Energy/IPP Program		\$ 44 723,03	\$ 5 644,10	\$ 4 500,00	\$ 34 578,93
	06.04.04 U.S. Environmental Protection Agency		\$ -	\$ -	\$ -	\$ -
	06.04.05 U.S. BioIndustry Initiative		\$ 5 632,12	\$ -	\$ -	\$ 5 632,12
	06.04.06 U.S. Bio Technology Engagement Program (BTEP)		\$ 1 302,93	\$ -	\$ -	\$ 1 302,93
	06.04.07 U.S. Defense Threat Reduction Agency		\$ -	\$ -	\$ -	\$ -
	06.04.08 U.K. Department of Defense		\$ 62 646,49	\$ 33 676,91	\$ 500,00	\$ 28 469,58
	06.04.09 EOAD		\$ 24 200,00	\$ 21 929,10	\$ 1 700,00	\$ 570,90
	- SW DESIGNATED TRAVELERS		\$ 48 981,88	\$ 17 477,39	\$ 10 000,00	\$ 21 504,49
	- CA DESIGNATED TRAVELERS		\$ 250 000,00	\$ 98 473,36	\$ 20 000,00	\$ 131 526,64
08	EXPERT REVIEW AND ADVISORS					
	- E.U. DESIGNATED REVIEWERS		\$ 90 000,00	\$ 25 569,80	\$ 10 000,00	\$ 54 430,20
09	SEMINARS/WORKSHOPS SUPPORT			\$ 23357.04 + € 1898.49	\$ 2000 + € 1258.06	\$ 33275.86 + € 16843.45
	- SHARED		\$ 58 632,90	\$ 23 357,04	\$ 2 000,00	\$ 33 275,86
	- E.U. DESIGNATED SEMINARS/WORKSHOPS		\$ 20 000,00	\$ 1 898,49	\$ 1 258,06	\$ 16 843,45
10	SERVICE CONTRACTS			\$ 784120.48 + € 249960.97	\$ 270960.63 + € 825	\$ 54918.89 + € 27539.03
	- U.S. DESIGNATED CONTRACTS		\$ 850 000,00	\$ 565 533,45	\$ 215 000,00	\$ 69 466,55
	- E.U. DESIGNATED CONTRACTS		\$ 360 000,00	\$ 249 960,97	\$ 82 500,00	\$ 27 539,03
	- CA DESIGNATED CONTRACTS		\$ 260 000,00	\$ 218 587,03	\$ 55 960,63	\$ (14 547,66)
13	INSTITUTE SUSTAINABILITY					
	- SHARED		\$ 30 033,10	\$ 598,32	\$ 29 400,00	\$ 34,78
14	BIOSECURITY & BIOSAFETY					
	- BIOSAFETY & BIOSAFETY - CA		\$ 400 000,00	\$ 98 011,71	\$ 127 519,00	\$ 174 469,29
15	PARTNER PROMOTION & SUPPORT					
	- PARTNER PROMOTION & SUPPORT - CA		\$ 250 000,00	\$ 61 091,66	\$ 20 000,00	\$ 168 908,34
16	PARTNER PROMOTION AND SUPPORT					
	- PARTNER PROMOTION AND SUPPORT - EU		\$ 200 000,00	\$ 31 653,58	\$ 30 000,00	\$ 138 346,42
	Total Supplemental Expenses		\$ 2 775 466,38	\$ 1 220 381,22	\$ 606 175,44	\$ 947 209,72
			\$ 760 000,00	\$ 377 901,48	\$ 140 758,06	\$ 241 340,46



31st Meeting of the STCU Governing Board
Kyiv Polytechnic Institute, Kyiv, Ukraine
18 November 2010

Item 3.4 Update on 2011 Financial Audit Tender

Statutory Requirements

In accordance with Article XVI (C) of the STCU Statute which reads: “An annual audit by an auditor approved by the Board shall be conducted of the Center’s expenditures and related financial activities. Results of the audit shall be reported to the Board within 30 days after completion;” the STCU holds a biennial tender for audit services of financial statements.

The audit has the following objectives:

- (a) report to the Governing Board whether the financial statements present fairly the financial position of the STCU and whether the financial statements are in conformity with the accounting principles recognized by the International Accounting Standards Committee;
- (b) conduct the annual audit in accordance with the International Standards on Auditing (ISA). The ISA require that the audit is planned and performed to obtain reasonable assurance about whether the financial statements are free of material misrepresentations.

Tender

In accordance with STCU financial regulations we carried out an open call for tender, the request for proposals was advertised on the STCU website (procurement opportunities) and on The Economist website (tenders worldwide)

We received tenders from the following firms:

Deloitte & Touche LLP, Toronto
Lubbock Fine, London
Moore Stephens, London

Evaluation Criteria and Technique

The tenders were evaluated for technical merit on the following criteria:

- C1 Project team:
- expertise and profiles of proposed project personnel, specifically qualifications related to the functional and technical expertise in auditing enterprises similar in nature to the STCU,
 - recent pertinent continuing education,
 - appropriateness of assigned staff levels.
- C2 Office’s experience:
- includes resources to be applied, depth and breadth of technical expertise and experience and demonstrated results attained in similar engagements.



C3 Audit plan and work-plan:
 proposers will be expected to submit a representative audit plan and workplan for the scope of services identified in Section III Point A. The audit plan and workplan must address the proposed work methodology and tools to be used in providing STCU services and identify the resources, tasks and schedules associated with delivery, and implementation of the audit. The timeliness of the projected completion dates, as well as the track record of meeting agreed upon delivery dates will also be considered.

These criteria were weighted (C1 x 50% + C2 x 30% + C3 x 20%) to give an overall technical score, any firm not achieving a minimum of 80 as a technical score was eliminated.

The successful firms financial offers were then compared using the formula:

$$P_e = P_o / (C_1 \times 50\% + C_2 \times 30\% + C_3 \times 20\%) \times 100, \text{ where:}$$

P_e is evaluated price,

P_o is price offered,

Evaluation and Comparison

The proposals of the following firms have been received and determined to be compliant with the minimum requirements and their offered and evaluated prices are indicated below:

Prices of the responsive proposals are given below.
 All values are in US\$

Supplier's Name	Offered Price	Evaluated Price	Rank
Deloitte & Touche	184,000	198,919	2
Lubbock Fine	161,818	181,309	1
Moore Stephens	200,000	218,579	3

NB: evaluated prices are used for evaluation purposes only. The successful proposer's offered price shall enter in a respective contract.

Award Recommendation

Management, as agreed by the Advisory Committee, recommends to the Governing Board that the Board approves the award of the contract to Lubbock Fine.



Canadian Partner Promotion

Goal – Attraction of New Canadian Private and Public Sector Partners

Rationale – To assist former weapon scientists in developing new, strategic and sustainable R&D relationships with civilian S&T programmes and customers. In addition we hope to increase and diversify STCU funding

Private Sector

Established Approach

March 2010, STCU in partnership with the Canadian Embassy (Kiev) and the Ukrainian Space Agency organized mission of leading UA aerospace experts to visit leading Canadian aerospace companies with the intent of showcasing UA capabilities. Mission aborted following the Ukrainian Presidential election.

September 2010, STCU, Canadian Embassy and UA Space Agency agreed to organize new mission. Format of the planned mission significantly modified.

New Approach – Arrange for Canadian government experts (Drs Zimcik and Jackman, NRC, Inst. for Aerospace Research and NRC Inst for Microstructural Sciences respectively) to tour (October 2010) leading UA aerospace organizations (Yuzhnoye, ARSENAL, Hartron and the Space Research Institute) with the intent of;

- assessing UA capabilities (i.e. the possibility of undertaking sub-contracts from Canadian organizations) and
 - assessing existing UA technologies with respect to the likelihood of technology transfer
- STCU work closely with CA experts following their return to Canada to identify Canadian companies that have specific needs that could be addressed by the expertise in Ukraine. Objective to identify 5 – 10 companies and initiate dialogue with the Ukrainian technical units. . In October, LH visited Canadian aerospace organizations to assess willingness to engage UA expertise and “sell” the initiative. Results were very positive.
- In mid-January 2011, delegation of Ukrainian experts will travel to Canada to meet (1-on-1) with the Canadian companies. Intent to develop Partner Projects based on clearly defined technical needs within the companies and probable solutions from the Ukrainian technical units.
- STCU has started working with NRC-IRAP to engage Canadian SMEs. IRAP has assigned a key contact to work with us on the initiative.

Public Sector

Initiative #1, Nuclear Forensics

One of our objectives is to engage new Canadian Government organizations which hopefully will result in new sources of funding.

In October 2009, LH travelled to Canada and had meetings with Defence Research Development Canada (DRDC) and Health Canada (HC) to ascertain if there were common S&T areas in nuclear forensics that



could be addressed using the expertise of FWS (i.e. not to deviate from STCU's primary mandate). Initial interest established.

In January 2010 STCU organized meeting in Brussels to explore the possibility of the Funding Parties collectively working together on S&T projects and nuclear forensics infrastructure upgrades in the CIS countries. LH made a presentation on Canadian Government partners that have a vested interest in the area of nuclear forensics and discussed an approach to engage these organizations with the intent of securing external funding. The outcome of the meeting was positive and Parties agreed to collectively work on the initiative.

In February 2010, Canadian Government Departments, DRDC, HC, Canadian Mounted Police (CMP) and Royal Military College (RMC) toured leading Ukrainian facilities at the centre of the country's effort in nuclear forensics.

Objectives – to determine S&T areas of mutual interest; to assess existing Ukrainian capabilities; to explore the possibility of Canadian Govt. Orgs. (other than DFAIT) funding projects.
All signs positive.

March 2010 – July 2010, STCU personnel worked closely with DRDC, HC, RMC and CMP on S&T projects that address common areas of interest.

Currently two (2) projects involving new Canadian Government organizations (DRDC, HC, RMC and CMP) were developed are being evaluated for funding, namely;

- Development of analytical techniques for radio-chronometry of Sr-90-Y-90 sources **Requested Funding: \$300,000**. This application successful passed the first competitive round of a two-stage process.
- Development and creation of the experimental samples for non-destructive analysis of uranium materials. **Requested Funding: \$400,000** Awaiting outcome of first round evaluation

Initiative #2, Environmental Forensics

October 2010 LH travelled to Canada to participate in environmental workshop and had meetings with representatives from Environment Canada (EC). These meetings established areas of mutual interest, in particular, in areas of **Environmental Forensics** where the possibility of funding from Canada for S&T activities in Ukraine appears probable.

November 2010, STCU, DFAIT and Environmental Canada start work to stage a major environmental forensics workshop. This is a recognized scientific discipline that is uniquely focused on the use of scientific techniques to identify the source, age and timing of contaminants released into the environment.

The intent is Partner Promotion with the objective of developing Partner Projects and to engage the countries under the STCU and ISTC umbrella. Attendees will be exposed to the most current scientific techniques and equipment for conducting environmental forensics investigations. In addition to the scientific community, the proposed initiative is of great interest to the private sector as well as government regulatory bodies. Tentative date for the event is August 2011. Canada committed to funding the event. The Organizing Committee is currently working at engaging US and European Union experts and donors. Agreement to have the event advertised on the Canadian Chemical Society website. This will give great exposure to the event and STCU.

International Organizing Committee established



Format of the event defined



Draft budget established

| Potential Partners / Sponsors - in development



**Improvement the S&T system in Georgia via
International Cooperation with STCU
(2006-2010)**

18.11.2010;
Prof. Mariam Gersamia,
Executive Director, Rustaveli NSF,
mariam@rustaveli.org.gr




About Rustaveli NSF

Rustaveli NSF- the assignee of the Foundation for Georgian Studies, Humanities and Social Sciences (Rustaveli Foundation) and the GNSF (Resolution of the MoES of Georgia, #62/N)


Mission statement

Rustaveli NSF promotes: implementation of fundamental, applied and innovative research in a competitive environment, development of knowledge-based society, reinforcement of links between science and education, integration of Georgia into international research area and popularization of science.

In cooperation with scientific community, State and private entities foundation performs its activities transparently and impartially.



About Rustaveli NSF




Scientific fields

- Georgian Studies;
- Humanities
- social Sciences;


- IT, Telecommunications
- Mathematics, Mechanics;
- Life sciences;
- Engineering sciences, High-Tech Materials;
- Earth Sciences and Environment;
- Physical and chemical Sciences;
- Medical sciences;
- Agricultural sciences;

2006-10

- Scientists involved: Around 3 000
- Projects funded: more than 1 200; about 25 calls per year
- Budget: more than 55 million GEL (30 million USD)
- Projects Implementation period: 12 to 36 months
- Based on international peer reviewing



Cooperation with STCU




Statement of Cooperation Between STSU and GNSF in the frame of "Targeted Research & Development Initiative Program - TIP"(October 31, 2006)


2006-10 STCU-GNSF TIP - 4 Joint Calls;

- Total Budget: 2. 29 million USD
- Number of Approved Projects: 37
- Total Number of Georgian Scientists: Around 300 (10%)
- Projects Implementation period: 12 to 24 months

Years	Projects funded	Both sides' shared financing (50%-50%)
2006-07	7	350 000 USD
2007-08	8	400 000 USD
2008-09	11	770 000 USD
2009-10	11	770 000 USD



Cooperation with STCU: The priorities, coverage



2006


- 1) Biotechnologies and Life Sciences;
- 2) Information and Communications Technologies;

2007-09


- 1) Biotechnologies and Life Sciences;
- 2) Energy Efficiency;
- 3) Information and Communication Technologies;

Number of HEI & Research centers funded: 17

Tbilisi State University (7 projects), GTU (2), Durmishidze Institute of Biochemistry and Biochemistry (3), Andronikashvili Institute of Physics (2), Tavadze Institute of Metallurgy and Material Science (2) etc



Cooperation with STCU: The main Impacts





New basis for partnership between Georgia and STCU and its Donor Parties (Canada, the European Union, and the United States of America);

Establishing of excellent research projects and networks
Supporting trans-national cooperation

Improvement of research competitiveness

Our foundation Science Board's leading role in identification of priority areas for the joint calls, as one of the first tries for S&T priority setting on national level;

Positive experience gained from the partnership with STCU has encouraged GNSF to set up and further its bilateral cooperation with the world's leading science foundations and centers;



Cooperation with STCU: success stories



The team of researchers from TSU (led by Prof. Nina Khuchua) engaged in non-destructive diagnostics, the project: **“New Terahertz Integrated Sources”**.

The Laboratory of Plant Substrates Bioconversion (led by Prof. Vladimir Elisashvili) of Durmishidze Institute of Biochemistry and Biotechnology, the project: **“Development of the innovative biotechnologies of mycopesticide production to control the pest insects”**.

The team of researchers from Tavadze Institute of Metallurgy and Materials Science (Led by Prof. Otar Oqrostsvaridze), the project: **“Concentrated solar energy/self-propagating high-temperature synthesis - new approach for increase of technological energy efficiency”**.

And much more...

5th Joint Call to be announced in November 2010



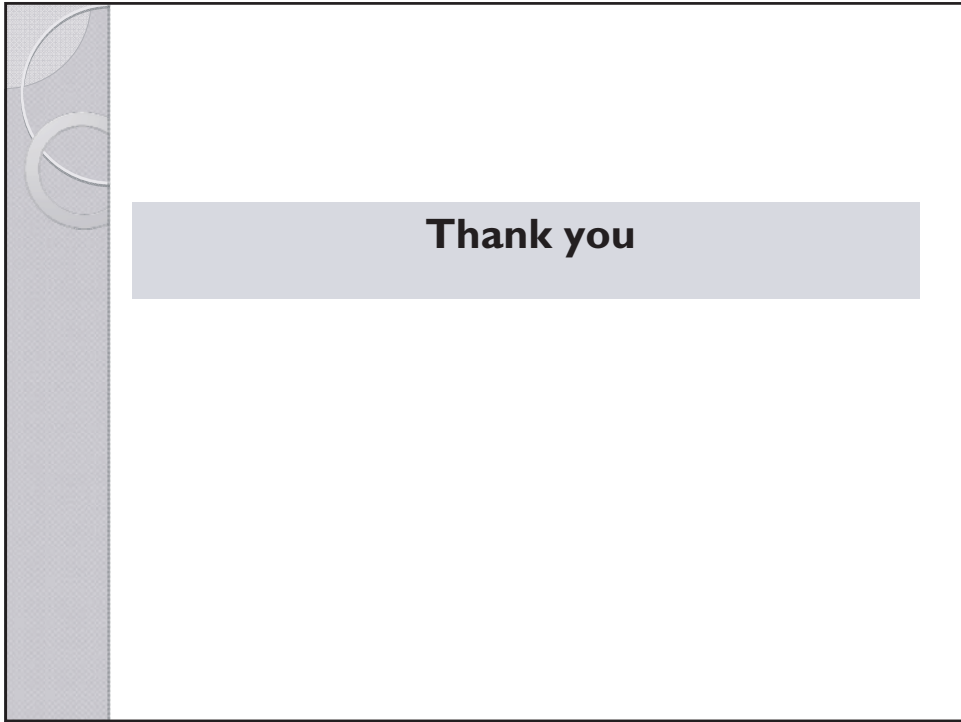
Cooperation with STCU: 2011

5th Joint Call to be announced in November 2010

Priority areas redefined

- 1) Biotechnologies and Life Sciences;
- 2) New Materials and Nanotechnologies;**
- 3) Information and Communications Technologies;

Priority areas redefined



Thank you

ISP Assessment Report
presented by
Vic Korsun, Deputy Executive Director (US)

Based on External Evaluation of
6 ISP Institutes by
University of Missouri, and
University of Binghamton

Oct. 2010

1

**External Assessment of Selected Institutions in
Ukraine of ISP Program (at 12 months)**

4 Criteria reviewed:

- **Diversification** of funding sources
- Technology development,
commercialization of R&D results
- **Integration** into international S&T
community
- **Internal policy** development,
organizational and planning efforts.

2

**Institute of Radiophysics and Electronics (IRE), Kharkiv
(supported by Canada and US, 3 years)**

- **Diversification** – Trend to increase external funds
 - In 2008 – 4%
 - In 2009 – 11%
 - In 2010 – 20%
- **Commercialization** – Developed product line of industrial equipment and devices for specialized market niches – Millimeter Wave and Radar
- **Integration** – Started company and Partner project with UK investor.
- **Internal and organizational policy** – Devised Strategic Development Plan and created TTO that focuses on funding diversification.
- **Conclusion:** On a positive trajectory.

3

**Institute of Technical Mechanics (ITM),
in Dnipropetrovsk (supported by Canada & US, 2 years)**

- **Diversification** – Sharp decrease of external funds (\$300K to \$100K from 2008-2010)
- **Commercialization** – Promoting their technologies by advertising at international trade fairs (Poland, Korea, Czech Republic, South Africa, Canada) and via internet (Smart Economy, KPI Technopark's web site)
- **Integration** – Many cooperation agreements internationally:
- **Internal and organizational policy** – Created Technology Transfer Sector with 3 staff members
- **Conclusions:** Institute's leadership is very supportive of the concept of sustainability; however, ITM is **particularly a sustainability-challenged institute**. Needs a lot more help before it can become Self-Sustainable.

4

Institute of Physics (IOP), Kyiv (supported by US, 2 years)

- **Diversification** – Currently 1% industry contracts, grants constant at around 25 grants in 2008-2010.
 - Unorthodox step planned: IOP Director intends to attract private investment from alumni matched by employees \$1.2M capital.
- **Commercialization** – Primarily a basic science institute; conducted technology audit.
 - Creating first spin-off company from business plan competition, to provide radiation treatment of materials service to external customers.
- **Integration** – Extensive international cooperation: EU, US, Asia
- **Internal and organizational policy** – Established standalone Technology Transfer, Innovations and Intellectual Property Department (staff of 5) -- a hub for commercialization in institute.
 - Standard Operating Procedures for market planning; IP protection; and marketing and business development.
 - http://www.iop.kiev.ua/site/dep/dep_tt_en.php
- **Conclusions**: First Start-up created! On the right track. Working already as a model for other institutes.
- IOP managed to overcome bureaucratic obstacles, in consultation with Academy legal personnel about government rules about Start-Up company creation, while some institutes find the barriers insurmountable.

5

INSTITUTES NOT FUNDED THROUGH ISP

Institute of Semiconductor Physics (ISP)

- Negative attitude because ISP was not selected.
- Leadership admits that commercialization of research results is in a "static" mode due to
- A lack of growth strategy,
- Lack of personnel trained in tech transfer, and, most importantly,
- Lack of capital investment needed to update infrastructure and facilities.
- All the above factors, as well as unclear legal base hinders commercial activity

Palladin Institute of Biochemistry (IBC)

- 30% external funding already
- Significant int'l cooperation
- Some patents licensed to Ukrainian companies.
- Preparatory phases of ISP planning jump-started development of a comprehensive strategic plan.
- Combative attitude because IBC was not selected for ISP support.

Frantsevich Institute for Problems of Materials Science (IPMS)

- **IPMS has taken the bull by the horns, and is implementing exactly what it proposed to do in its (ultimately unfunded) ISP proposal.**
- In 2010, 80% of the budget came from the state.
- In 2011 IPMS plans for significant increase of external funds
- IPMS is following strategic financial model of Fraunhofer Institute (Germany), where state funding makes up only 30%.
- IPMS in joint venture with IOP, IBC and ISP institutes to implement joint "e-TTO" capability.
- IPMS creating Start-Up company.
- Wants to develop "Innovation Management Certificate Program" for its staff, possibly in collaboration with KPI and international partners. IPMS will send a letter of support, encouraging KPI to develop such a training program.
- **Very positive growth attitude!**

6

Institute Sustainability Program – Conclusions and Recommendations

- ISP Program itself and preparation of proposals by Institutes7 triggered serious thinking and decision making process that resulted in significant collective strategic planning efforts from the participating Institutes.
- **Both IOP (funded) and IPMS (unfunded) have become models for other NASU institutes.**
- IOP successfully solved (both real and perceived) obstacles associated with governmental and NASU rules & regulations, shows such restrictions may be self-imposed.
- Area for improvement is primarily in educating staff and senior management, on motives and mechanisms necessary to attract investments in start-up companies.
- Outcome of the ISP Program should be viewed as a portfolio, not as successes or failures of individual institutes.
- Sustainability funding significantly increases the chances for institute growth and diversification of resources.
- Further Party support for ISP Program in Ukraine (possibly jointly with Academy) and other CIS countries could create a cascade effect for long-term benefits with FWS institutes and universities if continued.

7

Sustainability Promotion Update

Governing Board Meeting
Kyiv, Ukraine
November 18, 2010

Vic Korsun,
Deputy Executive Director (US)

1

STCU Developing An Integrated Sustainability Program



2

Significant Sustainability Developments in 2010:

- Highest Level of New Partner Project Funding since 2007
 - But Lowest Level of New Non-Gov Partner Funding since 2005
- FWS scientists at WMD institutes developing commercialization deals:
 - Kharkiv FWS institute started company with UK investor with royalties to go to institute, approved by Academy Presidium.
 - Long-time Kyiv FWS developer has negotiated and received significant equity ownership in a US company.
 - Another Kyiv FWS is negotiating a licensing deal with a US company to manufacture his product in Ukraine.
 - Lviv FWS scientist is negotiating a licensing deal with company in Spain to manufacture product in Ukraine.
 - Kyiv FWS institute started a company to sell peaceful nuclear services in Ukraine, with approval of Academy Presidium; and in competition with a Kharkiv FWS institute.
 - Azerbaijan Academy has created a separate organization to sell scientific services to companies.
 - Georgian FWS scientists initiate discussions on how to make Georgia more competitive.
- Helped 3 FWS institutes in Ukraine, Georgia and Azerbaijan win ERA-WIDE awards from EU, to help institutes integrate with EU scientific organizations.

Conclusion: If the FWS institutes want to they can now do more Partner projects and start their own companies.

3

New STCU Partners in 2010

1. UAB (Universitat Autònoma de Barcelona), Spain
2. INASMET, Spain
3. Campbell Applied Physics Inc., USA
4. Interspectrum OU, Estonia

Three new STCU Partners in process:

1. University of Muenster, Germany
2. ITE (Institute of Electric Technology), Spain
3. Solvay Solexis SpA, Italy

4

Institute Sustainability Program (ISP) Key Results at 3 Institutes (first 12 months)

Usikov Institute of Radiophysics and Electronics (Kharkiv)

- Signed major project (South Korean) and created Start-up company (UK) – total amount more than 1 million USD

Institute of Technical Mechanics (Dnipropetrovsk)

- Signed project with Ukrainian company (Antonov Aircraft) and preparing agreement with Ukrainian company (Dneprof) for plasma coating of cylinders technologies.
- Canadian company, FragBor Ltd, preparing agreement for comparative tests of ITM's Hydrovibration device for oil drilling in Canada.
- Promotional leaflets for institute technologies sent to a number of companies in Ukraine, Russia, Norway, Sweden, Canada, USA and Germany.

Institute of Physics (Kyiv)

- Created Start-up company as a service provider.
- Created 3-level distributed marketplace to connect clients and institute developers
- Created integrated IP management system for the Institute.

5

3 ISP Institutes Transferring their knowledge and lessons-learned to Azerbaijan, Georgia, Moldova, and other Ukrainian FWS institutes

- 3 Workshops in Chisinau, Baku and Tbilisi helped other CIS countries learn about what Ukrainian ISP institutes have done in the last 12 months.
- ISP institutes are working more closely with Ukrainian National Academy to allow them to do commercialization and spin-out companies.
- ISP institutes are showing other Ukrainian FWS institutes how it can be done.

6

ISP Assessment Report

- Oct 18-22 external consultants evaluated the 3 ISP institutes and also met with the other 3 institutes that did not win the program.
- Assessment Report is being prepared.

7

CTCO Program Continues to Develop

- Georgian CTCO Association prepared Competitiveness Roundtable in Tbilisi, October 26-27
- Association of Professionals for Commercialization of Technologies of Ukraine is prepared exhibition of technologies during UN Conference on Tech Transfer in Kyiv, November 9-11.
- CTCOs, ISPs and SMEs receiving consulting support from EU Tech Transfer project.
- English language courses for Moldavan CTCOs started (Still very important for the FWS institutes)

8

**Some of the SME-Companies of United Flower Network
– Started by Scientists from FWS Institutes**

Company	Director	Products
Dnipro	Dr. Mostytsky	Medical Freezers
Lileya	Dr. Petrenko	Piezo-electric Micro-manipulators
Avante	Dr. Favorsky	Wind & renewable energy
AgroBioTech	Dr. Ponomarenko	Plant growth regulators
Vision Aid	Dr. Pekaryk	Macular degeneration
Microwave Technologies	Dr. Bedjukh	Tires & gas energy
MagnetoCardio	Dr. Sosnytsky	Heart diagnostic
Elevator	Dr. Danchenko	Grain drying in silos
Motor Resources	Dr. Drachko	Engines & helicopters
Clean Service	Dr. Klishyn	Clean engines
BioMass	Dr. Geletukha	Renewable bio-energy

Patent Support Program (2010)

STCU Patent Review Committee received 7 applications, and supported 5, 2 under review.

Technology	Institute	Status
Aluminium cast alloy containing Magnesium and Silicon	Institute for Problems in Materials Science	Supported
Diagnostic and Treatment Complex for Intermittent Hypoxia Training "HYPOXOTRON-COMPLEX"	Bogomoletz Institute of Physiology	Supported
Method for Desulfurization of Hydrocarbon Fuels	Institute for Bioorganic Chemistry and Petrochemistry	Supported
Method for measuring quasi-stationary magnetic field	"Lvivska Polytechnica" National University	Supported
Method and device for measuring magnetic field	"Lvivska Polytechnica" National University	Supported
Method of geodetic parameters determination and a device for its realization.	State Public Enterprise Yangel Design Office Yuzhnoe	Reviewing
Method of the creation of the voltages with strictly calculated ratio	Institute for Electrodynamics	Reviewing

Successful Grant Writing Workshops in 5 CIS Countries in July

- **2 Key Trainers from EU and Canada**
 - Dr. Ian Butler, Canada, and Dr. Helmut Holtbecker, EU
- **5 cities covered – Kyiv, Baku, Tbilisi, Chisinau and Kharkiv (2 weeks in July)**
- **250 FWS attended**
- **Institutes requested follow-on workshops of this genre.**

Follow-on workshops to be planned, based on GB decision.

11

Nuclear Forensics Update

- **June** - Under CAN DED, Initiative entered into proposal development phase (involving Western sponsors, Recipients Parties, and STCU)
- **July** - S&T nuclear forensics (NF) project applications submitted to US and Canadian Funding Parties for review. Total budget for S&T projects approx. \$2.7 million. US-DOE already pledged \$1 million, working at securing funding from other sources. Projects expected to start in November 2010
- **July** – The Nuclear Threat Initiative NGO declined to sponsor funding for an Azeri NF project
 - Reached understanding with Ukrainian Academy re. its co-financing of STCU NF projects

12

Nuclear Forensics Update

- **August** - meeting in Ottawa to finalise nuclear forensics project applications re. CRTI funding (participants from Ukrainian Insts. of Nuclear Research and Geochemistry, Canada's DRDC, RCMP, RMC, Health Canada, Canada Nuclear Safety Commission. Consensus reached re. areas of mutual interest and projects will move forward.
- **September** – Joint meeting (tele-conferencing) with Canadian, EU and US stakeholders to make final decisions on which projects will be supported.
- **September / October** – redistribution of work load within STCU – initiative transferred from CAN DED to US DED

13

Planned Nuclear Forensics Projects

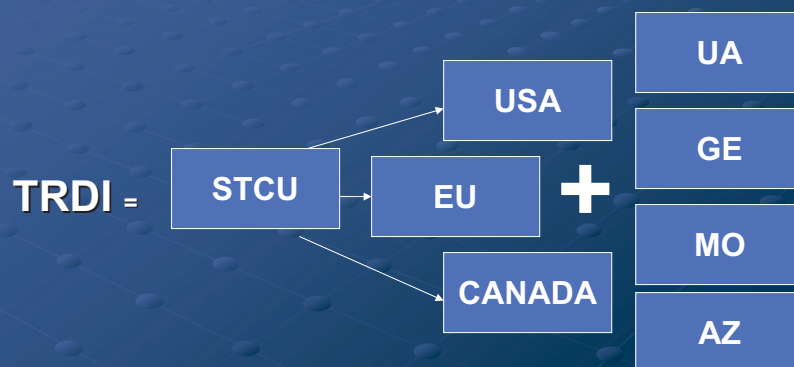
- **Project # P462:** Analytical Techniques for Radio-Chronometry of 90Sr-90Y sources
 - Canada, \$300K
- **Project #P465:** Attribution Signatures of Uranium Bearing Materials
 - United States, \$850K
- **Project #P461:** Enhancing National Capabilities and Expertise in Nuclear Forensics
 - United States, \$320K
- **Project #P460:** Development of Experimental Samples for Nondestructive Analysis of Uranium Materials
 - United States and Canada \$400K
- **Project #p464:** Selecting Representative Samples of Uranium Ore and Ore-Concentrates from Ukrainian Deposits and Their Integrated Investigation
 - United States, \$575K
- **EU Infrastructure Project #P447:** Regional Laboratories for GUAM Countries
 - Policies and Procedures for Moving Nuclear Materials among GUAM Countries
 - European Union, 2 million Euros, Dr. Klaus Meyer, ITU
 - Project is on hold

14

Targeted Initiatives Update

GBM
Kyiv
November 2010

PAST What TI is



PAST Dates & events

- **Recipients:**
 - NANU (Ukraine)
 - GNSF (Georgia), *recently replaced by the LEPL-Shota Rustaveli National Science Foundation*
 - ANAS (Azerbaijan)
 - ASM (Moldova)
- **Donors:**
 - State Department of US
 - DG Research (EC) of EU
 - DFAIT (Canada)
- **Agreements signed:**
 - STCU-NANU – 30 May 2005
 - STCU-GNSF – 31 Oct 2006
 - STCU-ANAS – 07 June 2007
 - STCU-ASM – 03 March 2009

PAST Sectors & projects

UA

- Environmental Protection
- Biotechnology and Cell Biogenetics
- Nanomaterials and Nanotechnologies
- Energy-conservation and Industrial Safety Technologies
- Information Technologies
- Biotechnologies

GE

- IT and Communications
- Energy Efficiency
- Biotechnologies and Life Sciences

AZ

- Information Technologies
- Biological Sciences Applied to Environmental Studies
- Bio-Chemistry
- Materials Sciences for Semiconductors, Polymers and Nanocomposites

MO

- Agricultural Sciences and Medicine
- Sensors
- Non-nuclear Energy Research
- Industrial Technologies
- Chemistry

PAST Cycles

STAGE	DEADLINE			
	UA	GE	AZ	MO
Call for Proposals – 2010/2011 Targeted Initiatives Program				
Request to STCU for project registration				2-3 weeks
Submission deadline for Short Form proposals to recipient TI participants	3-4 weeks			
Invitation issued by NASU to those proposals (maximum 20-25) selected for further development: start of preparation of Full Form (FF) proposals				
Deadline for sending request to STCU, to request a Full Form Proposal template assigned to specific project proposal number.				

PAST Cycles (cont.)

STAGE	DEADLINE			
	UA	GE	AZ	MO
Full Form Proposal templates with assigned specific project proposal number forwarded to Moldovan project managers by Program Support Officer. (in case of Moldova)	2-4 days			
Deadline for FF proposals to be submitted to recipient TI participants	6-8 weeks			
Submission deadline for FF proposals, HGCs, and expressions of interest to collaborate to the STCU	3-4 weeks			
Deadline for submission of FF proposals by STCU to Western reviewers (following STCU document status confirmation)	2 weeks			

PAST Cycles (cont.)

STAGE	DEADLINE			
	UA	GE	AZ	MO
Deadline for submission of the results of Western and recipient TI participants reviews to the STCU	14 weeks	8 weeks	<1 week	11 weeks
Meeting of Joint Working Group to decide which proposals will receive TRDI funding	Prior to the GBM	Prior to the GBM	Prior to the GBM	Prior to the GBM
Announcement of TRDI funding decision at the STCU GBM	GBM	GBM	GBM	GBM

PRESENT Results & achievements

Targeted R&D Initiatives 2005 - 2010						
Receipient Government Bodies	2005 funded projects	2006 funded projects	2007 funded projects	2008 funded projects	2009 funded projects	2010 funded projects
National Academy of Science of Ukraine (NASU)	506,926 7	488,971 10	483,420 10	592,846 12	597,340 12	587,995 12
Georgian National Science Foundation (GNSF)			170,825 7	198,912 8	383,236 11	381,509 11

PRESENT

Results & achievements (cont.)

Targeted R&D Initiatives 2005 - 2010						
Receipient Government Bodies	2005 funded projects	2006 funded projects	2007 funded projects	2008 funded projects	2009 funded projects	2010 funded projects
Azerbaijan National Academy of Science (ANAS)			145,431 6	345,866 7	445,401 9	450,000 will be funded on the 31st GBM
Academy of Science of Moldova (ASM)					149,991 6	150,000 will be funded on the 31st GBM

PRESENT

Results & achievements (cont.)

Targeted R&D Initiatives 2005 - 2010						
Receipient Government Bodies	2005 funded projects	2006 funded projects	2007 funded projects	2008 funded projects	2009 funded projects	2010 funded projects
Total funding projects	506.926 7	488.971 10	799.676 23	1.137.624 27	1.575.968 38	1.569.50 23+

PRESENT

Results & achievements: TOTAL

	UA	GE	AZ	MO	TOTAL
Number of projects	63	37	22	6	128+
Budget (USD)	3.257.498	1.134.482	1.386.698	299.991	6.078.669

FUTURE

Eventual S&T sectors of application

- Space technologies
- Bio
- Nuclear safety

FUTURE

Eventual participants

- **UKRAINE**
 - NSAU
 - SCSII bio component
 - Associations of nuclear profile institutes
- **GEORGIA**
 - Georgian Technical University (as the association of institutes)
- **USA**
- **Canada**
- **EU**

FUTURE

Possible adjustment of format

More targeted sectors

Projects united in sectors according to the scientific areas they develop and to the recipient institutions they are accountable to.

Budget per project

Depending on the area and the existing objective necessity for funding the budget of each project should be considered and approved individually.

Time frames

Due to the difference of all the projects characteristics (area, budget, Funding organization) the Time Frames may differ which makes Out of Cycle funding scheme the most convenient for such projects.



Thanks for your attention!

E mail: igor.lytvynov@stcu.int

Tel.:+380 (44) 490 71 50

GBM 31 - Kiev, 18 NOV 2010

Summary of Workshops/Seminars and Science Promotional Missions

Michel Zayet, DED EU, Science Excellence Department

During second half of 2010, STCU's work on promoting science capabilities and support for conversion of FWS continued with a series of actions concentrating on the sought outcome to generate potential partners and new partner projects.

Efforts in this area help STCU visibility and structurally supports the other parts of the Centers' activities as it attracts interest from Collaborators and Partners, and in addition it stimulates Recipient Countries initiatives to seek co-funding schemes allowing for more conversion projects to materialize.

Here are now the key representative events with their specific goals, and monitored results to date.

MAJOR EVENTS:

**International Conference EU-RUSSIA/CIS on Technologies of the Future: Spain
ISTC/STCU Cooperation, Madrid, April 22-23, 2010**



Background. The International Science and Technology Center (ISTC) and the Science and Technology Center in Ukraine (STCU) have held, in collaboration with the Spanish research center CIEMAT an international conference in the frame of the Spanish Presidency of the European Union. The biannual conference was previously held in countries hosting the Presidency including Portugal, Slovenia, France, Czech Republic and Sweden. (http://www.ciemat.es/take_part_ST_Spain_Russia_CIS_Cooperation/programme).

Objectives. To promote scientific cooperation between Russia, the CIS and the EU – with a special emphasis on Spain.

Common scientific interests between CIS and Spanish research communities have been identified and reflected in main themes of a number of sessions.

- Advanced nuclear reactors, high energy physics, accelerators and other related topics (held at the CIEMAT), the 22-d and 23-d April
- Space and Aviation (held at the CDTI) the 23-d April
- Nanotechnologies (held at the CSIC) the 23-d April

STCU Meeting on Modern Genetic Engineering and Biosafety, 1-4 July 2010

Main STCU Objectives : To put Eastern Scientists in contacts with Western Experts in order to develop potential collaborative research projects in the field of Biotechnology.

Agenda. July 1 - Visit of Plant Systems Biology Department (Flanders Institute of Biotechnology) and Greenhouses of Crop Design. July 2 There were three sessions dedicated to Possibility of International Cooperation in the Plant Biotechnology Area , Modern Progress in Genetic Engineering and Plant Biotechnology and Regulatory Issues in Plant Biotechnology.

STCU Scientists, provided : A quick overview of the situation related to their research in their country; Then at the level of their Research Institute, and finally they Briefly describe their expectations in terms of collaborative research opportunities.

Key persons : Em. Prof. **Marc Baron Van Montagu**, president of the European Federation of Biotechnology (EFB). **Dr. Sylvia Burssens** (Ghent University) is responsible for cooperation between research organizations and institutes from Flanders and developing countries in the field of plant biotechnology and biosafety through networking with international organizations. **Dr. Ine Pertry** is responsible for the coordination of the Flanders UNIDO Risk Assessment Research Network (FURARN) and the coordination of an e-postgraduate course Biosafety in Plant Biotechnology.

There were also other foreign participants from **Ghent University** (Institute of Plant Biotechnology for Developing Countries): Sergei Storozhenko, Nancy Terryn, Delphin Diasolua, Ivan Ingelbrecht; **Institute for Agricultural and Fisheries Research**: Marc Deloose and Johan Van Waes; **Laboratory for Plant Biotechnology**: Danny Vereecke and Stefaan Werbrouck; **Green Biotech, Europabio**: Filip Cnudde.

STCU recipient countries were represented by

Yaroslav Blume and Valeria Belokurova, Institute of Cell Biology and Genetic Engineering, National Academy of Sciences of Ukraine, Nelly Datukishvili, Institute of Molecular Biology and Biological Physics, Tbilisi, Georgia, Galina Comarova, Associate Professor of Biological Sciences State Agriculture University of Moldova, and two STCU staff.

The most important result (as for Y.Blum) is *interest to our researches* of Em. Prof. Marc Baron Van Montagu, *president* of the European Federation of Biotechnology (EFB). His deputy is ready to come to Kiev to visit Institute of Cell Biology and Genetic Engineering. N. Datukishvili *continues collaborating* with Institute for Agricultural and Fisheries Research in the framework of STCU/GNSF project. Galina Comarova was discussing in the department assembly possibilities and ways of collaborations with *UGent* and *ILVO*. Both N. Datukishvili and G. Comarova are going to collaborate with Ine Pertry, Belgium in *organization of Biosafety courses (e-learning)*. Information was used by G. Comarova two reports and three study course. She is also going to include it in the article. N. Datukishvili is going to use information in new projects.

Follow up action: The experts from Ghent University will present during Symposium on biotechnology and biosafety in Kiev.

STCU NORDIC INNOVATION INITIATIVE, Gothenburg, Sweden, 08-10 September 2010

Background. The event was organized with a direct support from Swedish government (through the Embassy of Sweden, First Secretary and Deputy Head of Mission, Mr. Mårten Ehnberg). http://www.stcu.int/se_nii_2010/

Objectives: To connect Eastern European scientific capabilities with needs from Swedish Enterprises together with Swedish Scientists. In addition it aims at strengthening mutual shared interest for Collaborative Research through the European Union, Research Framework Programme Seven, eventually implemented with Scientists having a profile matching STCU non-proliferation mission.

Program. First day there were presentations, other two days were dedicated for face-to-face meeting with partners.

Participants: 6 STCU sponsored persons and four persons from Entities from the European Union:

EU-funded JSO-ERA Project (Joint Support Office for Enhancing Ukraine's Integration in EU Research Area) represented by Key Expert Mr. Sergey Gerasymchuk;
- EU-funded Support to Knowledge-based and Innovative Enterprises and Technology transfer Business Project represented by Director of the Project, Mr. Leif Grahm, and Key Expert Mr. Declan Gordon Carroll.

National Information Center for Ukraine-EU Science & Technology Cooperation, European Commission Framework Programme for Research 7 - National Contact Point of Ukraine, Director of the Center is Mrs. Olena Koval.

Nordic counterparts, representatives of:

IVA (The Royal Swedish Academy of Engineering Sciences);

Lindholmen Science Park AB represented by their Manager of Corporate Communications.
Scientists from Chalmers University.

