



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 19.01.1998
COM(97) 718 final

98/0015 (CNS)

Proposal for a

COUNCIL REGULATION (EC)

concerning the accession by the European Atomic Energy Community and the European Community, acting as one Party, to an Agreement having established in 1993 a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America

and

Draft

COMMISSION REGULATION (EURATOM)

concerning the accession by the European Atomic Energy Community to an Agreement having established in 1993 a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America

(presented by the Commission)

Explanatory Memorandum

1. Following the Agreement establishing the Moscow International Science and Technology Centre (ISTC), ratified by Council Regulation (EEC) No 3955/92 of 21 December 1992, the European Community had asked Ukraine to accede to the ISTC. Ukraine preferred, for political reasons, to set up its own Centre in Kiev.

2. The Agreement establishing a Science and Technology Centre in Ukraine (Annex 1) was signed by the four parties - Canada, Sweden, Ukraine and the United States of America - on 15 October 1993, and is based, in its substance and form, on the Agreement establishing the ISTC.

The European Community was invited to join but postponed a decision in light of the pending uncertainty as to whether the STCU would actually become operational. At present, more than 300 project proposals are being examined at the Centre, 85 projects are being funded for a total investment worth US\$ 18.5 million involving more than 1300 scientists. The European Community therefore decided in 1996 to reconsider the invitation to join the STCU.

3. In accordance with the authorization by the Council, and on the basis of the negotiating directives laid down by it (Decision of 12 May 1997), the Commission has negotiated the accession of the European Community to the STCU Agreement. Only minor changes were brought to the Financial Statement (Annex 6).

The STCU Agreement has been amended to permit accession by the European Community. The STCU Parties, including Canada, Sweden, Ukraine and the United States signed on 7 July 1997 the Protocol to Amend the Agreement to Establish a Science and Technology Centre in Ukraine. This Protocol, a certified copy of which is attached to the present communication (Annex 2) amends Article XIII of the Agreement, thus enabling accession by the European Community.

Furthermore, the Governing Board of the STCU, acknowledging the Protocol, has approved the request by the European Community to accede to the STCU Agreement, as amended, with a seat on the Governing Board and accepted that the European Community be represented by two members, who together will have a single vote (Annex 3).

Lastly, at such time as the European Community assume their seat on the STCU Governing Board, Sweden will relinquish its seat on the Governing Board. This is confirmed by a letter from the Swedish Ministry for Foreign Affairs to the Commission, dated 5/12/96 (Annex 4).

4. The Council is requested:

- to approve the proposal for a regulation (EC) concerning the accession by the European Community to the Agreement having established in 1993 a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America, and
- to approve the accession by the European Atomic Energy Community to an Agreement having established in 1993 a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America in accordance with the second paragraph of Article 101 establishing the European Atomic Energy Community, and

- to give its approval to the draft for a Commission regulation (Euratom) concerning the accession by the European Atomic Energy Community to the Agreement having established in 1993 a Science and Technology Centre in Ukraine, and
- to approve the Community declaration to be made upon signature of the Instrument of Accession.

Moreover, the Council is requested to authorize the signature of the Instrument of Accession to the STCU Agreement by the Commission.

Proposal for a
COUNCIL REGULATION (EC)

concerning the accession by the European Atomic Energy Community and the European Community, acting as one Party, to an Agreement having established in 1993 a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America

98/0015(CNS)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 235, in conjunction with the second sentence of Article 228(2) and the first subparagraph of Article 228(3) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽¹⁾,

Whereas the accession by the European Atomic Energy Community and the European Community, acting as one Party, to the Agreement having established in 1993 a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America, will help to achieve the Community's objectives; whereas the Treaty does not provide, for the adoption of this Regulation, powers other than those of Article 235,

HAS ADOPTED THIS REGULATION:

Article 1

The Agreement establishing a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America and the accession to this Agreement by the European Atomic Energy Community and the European Community, acting as one Party, together with the Community Declaration relating to Article I, are hereby approved on behalf of the European Community.

The texts of the Agreement and the Declaration are attached to this Regulation.

Article 2

1. The Community shall be represented on the Governing Board of the Science and Technology Centre in Ukraine (hereinafter referred to as the Centre) by the Presidency of the Council and by the Commission, which shall each appoint one Board member.

¹ OJ-Nr X XXX

2. The Commission shall be generally responsible for the management of matters concerning the Centre.

The Council shall be kept fully informed, in good time before meetings of the Governing Board of the Centre, concerning the matters to be discussed at such meetings and the Commission's intentions in this regard.

Without prejudice to paragraph 3, the Commission shall express the Community's position to the Governing Board.

3. For matters falling under Article III (vi), Articles V and XIII of the Agreement, the Community's position shall be determined by the Council and expressed as a general rule by the Presidency, unless otherwise decided by the Council. For matters falling under Article IV B (i) and (v) and Article IV D, the Community's position shall be determined by the Council and expressed as a general rule by the Commission.
4. Decisions on projects financed or co-financed by the Community will be taken pursuant to, and in accordance with the procedure laid down in, Regulation (EC, EAEC) No 1279/96 ⁽²⁾ or any successor thereof.

Article 3

The Centre shall have legal personality and enjoy the most extensive legal capacity accorded to legal persons under laws applicable in the Community and, in particular, may contract, acquire or dispose of movable and immovable property and be a party to legal proceedings.

Article 4

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, .

For the Council
The President

² OJ Nr L 165, 04.07.1996, p.1

Draft

COMMISSION REGULATION (EURATOM)

concerning the accession by the European Atomic Energy Community to an Agreement having established in 1993 a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Atomic Energy Community and in particular the second paragraph of Article 101 thereof,

Having regard to the Council's approval,

Whereas the accession by the European Atomic Energy Community and the European Community, acting as one Party, to the Agreement having established in 1993 a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America, should be approved on behalf of the European Atomic Energy Community;

HAS ADOPTED THIS REGULATION:

Article 1

The accession by the European Atomic Energy Community and the European Community, acting as one Party, to the Agreement having established in 1993 a Science and Technology Centre in Ukraine between Canada, Sweden, Ukraine and the United States of America, together with the Community declaration relating to Article 1 are hereby approved on behalf of the European Atomic Energy Community.

The texts of the Agreement and the Declaration are annexed to this Regulation ⁽³⁾.

Article 2

One Representative of the Community on the Governing Board shall be appointed by each of the Council and the Commission pursuant to Article IV (C) of the Agreement.

Article 3

The Science and Technology Centre in Ukraine has legal personality and will enjoy the most extensive legal capacity accorded to legal persons under laws applicable in the Community and, in particular, may contract, acquire or dispose of movable and immovable property and be a party to legal proceedings.

³ See page X of the Official Journal

Article 4

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
Jacques SANTER
President

**Declaration by the Representatives of the Community
on the signing of the Instrument of Accession
to the Science and Technology Center in Ukraine**

“The Community declares that the Center shall have the legal personality and enjoy the most extensive legal capacity to legal persons under laws applicable in the Community, and, in particular, may contract, acquire and dispose of movable and immovable property and be a party to legal proceedings.”

INSTRUMENT OF ACCESSION

WHEREAS the Agreement Establishing a Science and Technology Center in Ukraine was done at Kyiv, Ukraine, on October 25, 1993.

The European Atomic Energy Community and the European Community, acting as one party, having considered the aforesaid Agreement, hereby confirm and accede to the same and undertake faithfully to perform and carry out all the stipulations therein contained.

IN WITNESS WHEREOF this Instrument of Accession is signed and sealed.

DONE at _____ on the _____ day of

For the European Atomic Energy Community
and the European Community,

(Name and Title)

ANNEX 1

AGREEMENT
TO ESTABLISH A
SCIENCE AND TECHNOLOGY CENTER
IN UKRAINE

Canada, Sweden, Ukraine, and The United States of America:

Reaffirming the need to prevent the proliferation of technologies and expertise related to weapons of mass destruction -- nuclear, chemical, and biological weapons;

Taking note of the present critical period in the states of the former Soviet Union, a period that includes the transition to a market economy, the developing process of disarmament, and the conversion of industrial-technical potential from military to peaceful endeavors;

Recognizing, in this context, the need to create an international Science and Technology Center in Ukraine that would minimize incentives to engage in activities that could result in such proliferation, by supporting and assisting the activities for peaceful purposes of weapons scientists and engineers in Ukraine and, if interested, in other states of the former Soviet Union;

Responding to the need to contribute, through the Center's projects and activities, to the transition of the states of the former Soviet Union to market-based economies and to support research and development for peaceful purposes;

Desiring that Center projects provide impetus and support to participating scientists and engineers in developing long-term career opportunities, which will strengthen the scientific research and development capacity of Ukraine; and

Realizing that the success of the Center will require strong support from governments, foundations, academic and scientific institutions, and other inter-governmental and non-governmental entities;

Have agreed as follows:

ARTICLE I

The Science and Technology Center in Ukraine (hereinafter referred to as the "Center") is hereby established as an intergovernmental organization. Each Party shall facilitate, in its territory, the activities of the Center. In order to achieve its objectives, the Center shall have, in accordance with the laws and regulations of the Parties, the legal capacity to contract, to acquire and dispose of immovable and movable property, and to institute and respond to legal proceedings.

ARTICLE II

(A) The Center shall develop, approve, finance, and monitor science and technology projects for peaceful purposes, which are to be carried out primarily at institutions and facilities located in Ukraine and, if interested, in other states of the former Soviet Union.

(B) The objectives of the Center shall be:

(i) To give weapons scientists and engineers, particularly those who possess knowledge and skills related to weapons of mass destruction or missile delivery systems, in Ukraine and, if interested, in other states of the former Soviet Union, opportunities to redirect their talents to peaceful activities; and

(ii) To contribute thereby through its projects and activities: to the solution of national or international technical problems; and to the wider goals of reinforcing the transition to market-based economies responsive to civil needs, of supporting basic and applied research and technology development, *inter alia*, in the fields of environmental protection, energy production, and nuclear safety, and the remediation of the consequences of nuclear power reactor accidents, and of promoting the further integration of scientists of Ukraine and the former Soviet Union into the international scientific community.

ARTICLE III

In order to achieve its objectives, the Center is authorized to:

(i) Promote and support, by use of funds or otherwise, science and technology projects in accordance with Article II of this Agreement;

(ii) Monitor and audit Center projects in accordance with Article VIII of this Agreement;

(iii) Disseminate information, as appropriate, to promote its projects, encourage proposals, and broaden international participation;

(iv) Establish appropriate forms of cooperation with governments, inter-governmental organizations, non-governmental organizations (which shall, for the purposes of this Agreement, include the private sector), and programs;

(v) Receive funds or donations from governments, inter-governmental organizations, and non-governmental organizations;

(vi) Establish branch offices as appropriate; and

(vii) Engage in other activities as may be agreed upon by the Parties.

ARTICLE IV

(A) The Center shall have a Governing Board and a Secretariat, consisting of an Executive Director, Deputy Executive Directors, and such other staff as may be necessary, in accordance with the Statute of the Center.

(B) The Governing Board shall be responsible for:

(i) Determining the Center's policy and its own rules of procedure;

(ii) Providing overall guidance and direction to the Secretariat;

(iii) Approving the Center's operating budget;

(iv) Governing the financial and other affairs of the Center, including approving procedures for the preparation of the Center's budget, drawing up of accounts, and auditing thereof;

(v) Formulating general criteria and priorities for the approval of projects;

(vi) Approving projects in accordance with Article VI;

(vii) Adopting the Statute and other implementing arrangements as necessary; and

(viii) Other functions assigned to it by this Agreement or necessary for the implementation of this Agreement.

Decisions of the Governing Board shall be by consensus of all Parties on the Board, subject to conditions and terms determined pursuant to Article V, except as provided otherwise in this Agreement.

(C) Each of the signatory Parties shall be represented by a single vote on the Governing Board. Each shall appoint one representative to the Governing Board within seven (7) days after entry into force of this Agreement.

(D) The Governing Board shall adopt a Statute in implementation of this Agreement. The Statute shall establish:

(i) The structure of the Secretariat;

(ii) The process for selecting, developing, approving, financing, carrying out, and monitoring projects;

(iii) The process by which the Executive Director shall obtain scientific and other necessary professional advice with regard to proposed projects directly from international experts;

(iv) Procedures for the preparation of the Center's budget, drawing up of accounts, and auditing thereof;

(v) Appropriate guidelines on intellectual property rights resulting from Center projects and on the dissemination of project results;

(vi) Procedures governing the participation of governments, inter-governmental organizations, and non-governmental organizations in Center projects;

(vii) Provision for allocating the Center's property upon termination of this Agreement or withdrawal of a Party;

(viii) Personnel policies; and

(ix) Other arrangements necessary for the implementation of this Agreement.

ARTICLE V

The Governing Board shall have the discretion and exclusive power to expand its membership to include representatives

appointed by Parties that accede to this Agreement, on such conditions and terms as the Board may determine. Parties not represented on the Governing Board and inter-governmental and non-governmental organizations may be invited to participate in Board deliberations, in a non-voting capacity.

ARTICLE VI

Each project submitted for approval by the Governing Board shall be accompanied by the written concurrence of the state(s) in which the work is to be carried out. In addition to the prior concurrence of that state(s), the approval of projects shall require the consensus of Parties on the Governing Board other than any state eligible for projects under Article II(A). (Such consensus shall be subject to the conditions and terms determined pursuant to Article V.)

ARTICLE VII

(A) Projects approved by the Governing Board may be financed or supported by the Center, or by governments, inter-governmental organizations, or non-governmental organizations, directly or through the Center. Such financing and support of approved projects shall be provided on terms and conditions specified by those providing it, which shall be consistent with this Agreement.

(B) Representatives of the Parties on the Board and personnel of the Center Secretariat shall be ineligible for project grants and may not directly benefit from any project grant.

ARTICLE VIII

(A) The Center shall have the right, within Ukraine or other states of the former Soviet Union that accede to this Agreement:

(i) To examine on-site Center project activities, materials, supplies, use of funds, and project-related services and use of funds, upon its notification or, in addition, as specified in a project agreement; and

(ii) To inspect or audit, upon its request, any information, including records or documents, in connection with Center project activities and use of funds, wherever such records or documentation are located, during the period in which the Center provides the financing, and for a period thereafter as determined in the project agreement.

The written concurrence required in Article VI shall include the agreement, of both the state of the former Soviet Union in

which the work is to be carried out and the recipient institution, to provide the Center with access necessary for auditing and monitoring the project, as required by this paragraph.

(B) Any Party represented on the Governing Board shall also have the rights described in paragraph (A), coordinated through the Center, with regard to projects it finances in whole or in part, either directly or through the Center.

(C) If it is determined that the terms and conditions of a project have not been respected, the Center or a financing government or organization may, having informed the Board of its reasons, terminate the project and take appropriate steps in accordance with the terms of the project agreement.

ARTICLE IX

(A) The Headquarters of the Center shall be located in Ukraine.

(B) By way of providing material support to the Center, the Government of Ukraine shall provide at its own expense a facility suitable for use by the Center, along with maintenance, utilities, and security for the facility.

(C) In Ukraine, the Center shall have the status of a legal person and, in that capacity, shall be entitled to contract, to acquire and dispose of immovable and movable property, and to institute and respond to legal proceedings.

ARTICLE X

The Government of Ukraine shall ensure that:

(i)(a) Funds and property of the Center or any branch thereof, including any interest arising from keeping funds in banks in Ukraine, are exempt from taxation or other charges imposed by the Government of Ukraine and any subdivision thereof;

(b) Commodities, supplies, and other property provided or utilized in connection with the Center and its projects and activities may be imported into, exported from, or used in Ukraine free from any tariffs, dues, customs duties, import taxes, and other similar taxes or charges imposed by Ukraine. In order to receive exemptions under this paragraph, commodities, supplies, and other property must either be specified in a project agreement or be certified by the Executive Director as items to be used by the Center.

or in a Center project. The procedures for such certifications shall be described in the Statute;

(c) Funds received by natural and legal persons, including Ukrainian scientific organizations or scientists and specialists, in connection with the Center's projects and activities, shall not be subject to taxation or other charges by the Government of Ukraine or any subdivision thereof;

(ii)(a) The Center, governments, inter-governmental organizations, and non-governmental organizations shall have the right to move funds related to the Center and its projects or activities, other than the local currency in Ukraine, into or out of Ukraine without restriction, each in amounts not to exceed the total amount it moved into Ukraine;

(b) To finance the Center and its projects and activities, the Center shall be entitled, for itself and on behalf of the entities referred to in subparagraph (ii)(a), to sell foreign currency in Ukraine.

ARTICLE XI

(A) The Parties shall closely cooperate in order to facilitate the settlement of legal proceedings and claims under this Article.

(B) Unless otherwise agreed, the Government of Ukraine shall, in respect of legal proceedings and claims by Ukrainian nationals or organizations, other than contractual claims, arising out of the acts or omissions of the Center or its personnel done in the performance of the Center's activities:

(i) Not bring any legal proceedings against the Center and its personnel;

(ii) Assume responsibility for dealing with legal proceedings and claims brought by the aforementioned against the Center and its personnel; and

(iii) Hold the Center and its personnel harmless in respect of legal proceedings and claims referred to in subparagraph (ii) above.

(C) The provisions of this Article shall not prevent compensation or indemnity available under applicable international agreements or national law of any state.

(D) Nothing in paragraph (B) shall be construed to prevent legal proceedings or claims against Ukrainian nationals.

ARTICLE XII

(A) Personnel of the United States Government, Canadian Government, and Swedish Government who are present in Ukraine in connection with the Center or its projects and activities shall be accorded by the Government of Ukraine status equivalent to that accorded to administrative and technical staff under the Vienna Convention on Diplomatic Relations of April 18, 1961.

(B) Personnel of the Center shall be accorded by the Government of Ukraine the following privileges and immunities, which usually accord to employees of international organizations, to wit:

(i) Immunity from arrest, detention, and legal proceedings, including criminal, civil and administrative jurisdiction with regard to words said or written by themselves or any acts performed in the course of their official duties;

(ii) Exemption from any income, social security, or other taxation duties, customs duties, or other charges on income derived from Center activities, except those that are normally incorporated in the price of goods or paid for services rendered;

(iii) Immunity from social security provisions, immigration restrictions, and alien registration; and

(iv) The right to import their furniture and personal effects, at the time of first taking up their post, free of any Ukrainian tariffs, dues, customs duties, import taxes, and other similar taxes or charges.

(C) Representatives of the Parties on the Governing Board, the Executive Director, and the Deputy Executive Directors shall be accorded by the Government of Ukraine, in addition to the privileges and immunities listed in paragraphs (A) and (B) of this Article, the privileges, immunities, exemptions, and facilities accorded to representatives of members and executive heads of international organizations in accordance with international law.

(D) Any Party may notify the Executive Director of any person, other than those in paragraphs (A) and (C), who will be in Ukraine in connection with the Center's projects and activities. A Party making such a notification shall inform such persons of their duty to respect the laws and regulations

of Ukraine. The Executive Director shall notify the Government of Ukraine, which shall accord to such persons the privileges described in subparagraphs (ii)-(iv) of paragraph (B) of this Article.

(E) Nothing in this Article shall require the Government of Ukraine to provide the privileges and immunities provided in paragraphs (A), (B), and (C) of this Article to its nationals.

(F) Without prejudice to the privileges, immunities, and other benefits provided above, it is the duty of all persons enjoying privileges, immunities, and benefits under this Article to respect the laws and regulations of Ukraine.

(G) Nothing in this Agreement shall be construed to derogate from privileges, immunities, and other benefits granted to personnel described in paragraphs (A) to (D) under other agreements.

ARTICLE XIII

Any state desiring to become Party to this Agreement shall notify the Governing Board through the Executive Director. The Governing Board shall provide such a state with certified copies of this Agreement through the Executive Director. Upon approval by the Governing Board, that state shall be permitted to accede to this Agreement. In the event that a state or states of the former Soviet Union accede to this Agreement, that state or those states shall comply with the obligations undertaken by the Government of Ukraine in Articles VIII, IX(C), and X-XII.

ARTICLE XIV

Although nothing in this Agreement limits the rights of the Parties to pursue projects without resort to the Center, the Parties shall make their best efforts to use the Center when pursuing projects of character and objectives appropriate to the Center.

ARTICLE XV

(A) This Agreement shall be subject to review by the Parties two years after entry into force. This review shall take into account the financial commitments and payments of the Parties.

(B) This Agreement may be amended at any time by written agreement of all the Parties.

(C) Any Party may withdraw at any time from this Agreement six months after written notification to the other Parties.

ARTICLE XVI

Any question or dispute relating to the application or interpretation of this Agreement shall be the subject of consultation between the Parties.

ARTICLE XVII

With a view to financing projects as soon as possible, the Signatories shall establish necessary interim procedures until the adoption of the Statute by the Governing Board. These shall include, in particular, the appointment of an Executive Director and necessary staff and the establishment of procedures for the submission, review, and approval of projects.

ARTICLE XVIII

(A) Each Signatory shall notify the others through diplomatic channels that it has completed all internal procedures necessary to be bound by this Agreement.

(B) This Agreement shall enter into force upon the thirtieth (30th) day after the date of the last notification described in paragraph (A).

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Agreement.

DONE at *Kiev*, on *25 October*, 1993,
in a single original, in the English, French, and Ukrainian languages, each text being equally authentic.

FOR CANADA:

W. A. Kelly

FOR THE KINGDOM OF SWEDEN:

W. A. Kelly

FOR UKRAINE:

W. A. Kelly

FOR THE UNITED STATES OF AMERICA:

William Green Miller



STATEMENT UPON SIGNATURE
OF THE UNITED STATES OF AMERICA

"In the United States, the Center will have legal capacity to the same extent as other legal persons and, in particular, the capacity to contract, to acquire and dispose of movable and immovable property, and to institute and respond to legal proceedings."

STATEMENT UPON SIGNATURE
OF THE KINGDOM OF SWEDEN

"As a legal person in Ukraine, the Center is automatically accepted as such in Sweden. The Center will have the same legal capacity in Sweden as other foreign legal persons, including the capacity to contract, to acquire and dispose of movable and immovable property, and to institute and respond to legal proceedings."

ANNEX 2

PROTOCOL
to Amend the Agreement to Establish
a Science and Technology Center in Ukraine

Canada, Sweden, Ukraine and the United States of America,

Acting in accordance with Article XV(B) of the Agreement to Establish a Science and Technology Center in Ukraine signed on October 25, 1993 at Kiev (the 1993 Agreement),

Have agreed as follows:

Article I

Article XII (A) of the 1993 Agreement is hereby amended to read:

Personnel of the Parties who are present in Ukraine in connection with the Center or its projects and activities shall be accorded by the Government of Ukraine status equivalent to that accorded to administrative and technical staff under the Vienna Convention on Diplomatic Relations of April 18, 1961.

Article II

Article XIII of the 1993 Agreement is hereby amended to read:

Any state, or the European Communities, desiring to become a Party to this Agreement, shall notify the Governing Board through the Executive Director. The Governing Board shall provide such a state, or the European Communities, with certified copies of this Agreement through the Executive Director. Upon approval by the Governing Board, that state, or the European Communities, shall be permitted to accede to this Agreement. In the event that a state or states of the former Soviet Union accede to this Agreement, that state or those states shall comply with the obligations undertaken by the Government of Ukraine in Articles VIII, IX(C) and X-XII.

Article III

A) This Protocol shall be provisionally applied upon signature by all Parties to the 1993 Agreement.

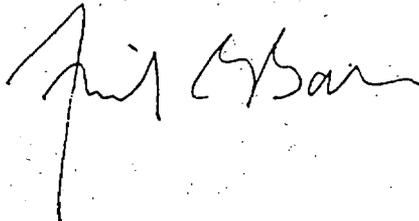
B) Each signatory shall notify the others through diplomatic channels that it has completed all internal procedures necessary to be bound by this Protocol.

C) This Protocol shall enter into force upon the date of the last notification described in paragraph (B) above.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Protocol.

DONE at Kyiv, on JULY 7, 1997, in a single original, in the English, French and Ukrainian languages, each text being equally authentic.

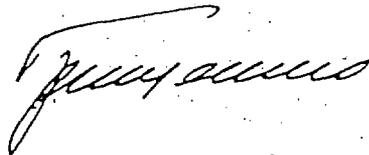
FOR CANADA:



FOR THE KINGDOM OF SWEDEN:



FOR UKRAINE:



FOR THE UNITED STATES OF AMERICA:



12 August 1997
1997/08/12
1997/08/12

PROTOCOL

pour modifier l'Accord instituant un
Centre pour la science et la technologie en Ukraine

Le Canada, la Suède, l'Ukraine et les États-Unis d'Amérique,

Conformément à l'article XV(B) de l'Accord instituant un Centre pour la science et la technologie en Ukraine signé à Kiev le 25 octobre 1993 (l'Accord de 1993),

sont convenus de ce qui suit:

Article I

L'article XII(A) de l'Accord de 1993 est par la présente modifié pour se lire comme suit:

Les membres du personnel des gouvernements des parties qui se trouvent en territoire ukrainien pour les besoins du Centre ou de ses projets et activités se voient accorder par le gouvernement de l'Ukraine un status équivalent à celui qui est accordé au personnel administratif et technique par la Convention de Vienne du 18 avril 1961 sur les relations diplomatiques.

Article II

L'article XIII de l'Accord de 1993 est par la présente modifié pour se lire comme suit:

Tout État, ou les Communautés Européennes, qui souhaitent devenir partie au présent Accord informent le conseil d'administration, par l'intermédiaire du directeur général, de son intention. Le conseil d'administration, en la personne du directeur général, fournit à cet État, ou aux Communautés Européennes, une copie certifiée du présent Accord. L'État, ou les Communautés Européennes, sont ensuite autorisés, après accord du conseil d'administration, à accéder au présent accord. Si l'État qui accède au présent Accord est un État de l'ancienne Union soviétique, cet État doit souscrire aux engagements pris par le gouvernement de l'Ukraine dans les articles VIII, IX(C), X, XI et XII.

Article III

A) Ce Protocole sera appliqué de manière provisoire à sa signature par toutes les Parties à l'Accord de 1993.

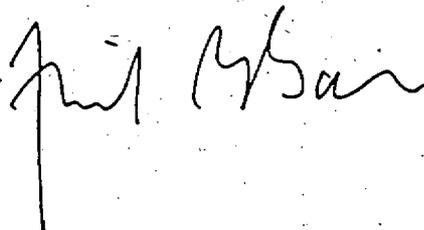
B) Chaque signateur notifiera les autres par voies diplomatiques de la conclusion de toutes les procédures internes nécessaires pour mise en oeuvre de ce Protocole.

C) Ce Protocole entrera en vigueur à la date de la dernière notification décrite par le paragraphe B ci-dessus.

EN FOI DE QUOI les soussignés, dûment autorisés à cet effet, ont signé le présent Protocol.

FAIT en un seul exemplaire à Kiev, le 7 JUILLET 1997,
en français, en ukrainien et en anglais, chaque version faisant également foi.

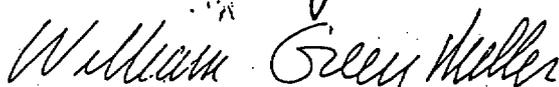
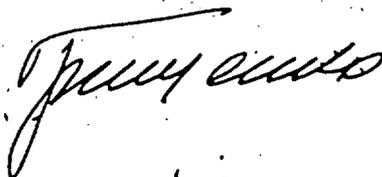
POUR LE CANADA:



POUR LE ROYAUME DE SUÈDE:



POUR L'UKRAINE:



POUR LES ÉTATS-UNIS D'AMÉRIQUE:

United States of America
Vice Consul of the
Embassy of the United States
in Kiev

ПРОТОКОЛ
ПРО ВНЕСЕННЯ ПОПРАВОК ДО УГОДИ
ПРО СТВОРЕННЯ
УКРАЇНСЬКОГО НАУКОВО-ТЕХНОЛОГІЧНОГО ЦЕНТРУ

Україна, Канада, Сполучені Штати Америки та Швеція,

діючи згідно з пунктом В Статті XV Угоди про створення Українського науково-технологічного центру, укладеної в Києві 25 жовтня 1993 року (далі - Угода від 1993 року),

домовились про таке:

Стаття I

Пункт А Статті XII Угоди від 1993 року викласти в наступній редакції:

Співробітникам Сторін, які перебувають в Україні у зв'язку з Центром або його проектами та діяльністю, Уряд України надає статус, еквівалентний тому, який надається адміністративному та технічному персоналу згідно з Віденською конвенцією про дипломатичні зносини від 18 квітня 1961 року.

Стаття II

Статтю XIII Угоди від 1993 року викласти в наступній редакції:

Будь-яка держава або Європейські Співтовариства, що бажають стати Стороною цієї Угоди, повідомляють про це Адміністративну Раду через Виконавчого директора. Адміністративна Рада забезпечує таку державу або Європейські Співтовариства засвідченими копіями цієї Угоди через Виконавчого директора. Після схвалення Адміністративною Радою, цій державі або Європейським Співтовариствам дозволяється приєднатися до цієї Угоди. У випадку приєднання до цієї Угоди держави або держав колишнього Радянського Союзу така держава або такі держави повинні дотримуватись зобов'язань, взятих Урядом України в статтях VIII, IX С та X-XII.

Стаття III

А) Положення цього Протоколу, тимчасово застосовуються з моменту його підписання всіма Сторонами Угоди від 1993 року.

В) Кожна сторона, яка підписала Протокол, повідомляє інші сторони по дипломатичних каналах про те, що вона виконала усі внутрішні процедури, необхідні для участі в цьому Протоколі.

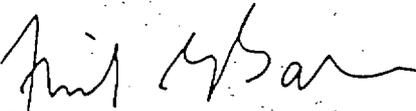
С) Цей Протокол набуває чинності з дати отримання останнього повідомлення зазначеного в пункті В.

На посвідчення чого нижчепідписані, належним чином на те уповноважені представники, підписали цей Протокол.

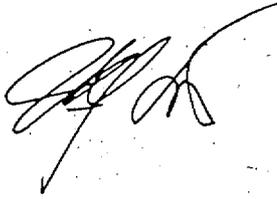
ВЧИНЕНО в м.Києві 7 числа ЛИПНЯ
1997 року в одному примірнику українською, англійською, та французькою мовами, причому всі тексти є цілком автентичними.

ЗА :


УКРАЇНУ

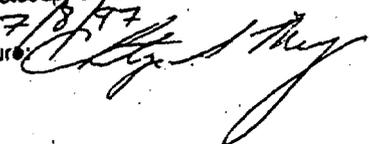

КАНАДУ


СПОЛУЧЕНІ ШТАТИ АМЕРИКИ


ШВЕЦІЮ

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Date: 7/8/97
Signature: 
Title:

Christopher S. Miscigno
Vice Consul of the
United States of America

ANNEX 3

STCU

Science and Technology Center in Ukraine
 3 ave. Laboratory
 Kyiv, 252-113, Ukraine
 tel./факс: +380 (44) 227-8150

УНТЦ

Український Науково-Технологічний Центр
 пров. Лабораторний 3
 Київ, 252-113, Україна
 факс-факс: +380 (44) 227-81-56

Вих. № 640/06

18 July 1997

Mr. Timo Summa
 Director of TACIS
 European Commission
 Directorate General 1A
 Rue de la Loi 200
 1049 Brussels, Belgium

Dear Mr. Summa:

Referring to your letter of 10 July 1997 and to the letter of May 1997 from your Delegation in Kiev, I am pleased to report the following regarding the request by the European Communities to join the Science and technology Center in Ukraine (STCU):

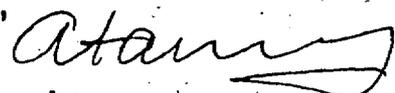
Representatives of Canada, Sweden, Ukraine and the United States met in Kiev on 7 July 1997 to sign the protocol to Amend the Agreement to Establish a Science and Technology Center in Ukraine (the Protocol). The Protocol amends Article XIII of the STCU Agreement to permit accession by the European Communities.

The Governing Board of the STCU, acknowledging the Protocol, has approved the request by the European Communities to accede to the STCU Agreement, as amended, with a seat for the European Communities on the STCU Governing Board.

It is understood, in accordance with the statement by the European Communities' observer representatives at the STCU Governing Board meeting on 15-16 May 1997, that the European Communities will be represented by two members, who together will have a single vote on behalf of the European Communities.

On behalf of the Parties and the STCU Secretariat, I would like to welcome the European Communities to the STCU and look forward to cooperation in the important work of the STCU program. We look forward to the earliest possible completion of the internal procedures necessary for the European Communities to accede to the agreement and take their seat on the Governing Board.

Sincerely,



Borys A. Atamanenko
 Acting Executive Director



НАЦІОНАЛЬНА АКАДЕМІЯ НАУК УКРАЇНИ
NATIONAL ACADEMY OF SCIENCE OF UKRAINE

| Адреса: | Телетайп | Telex: | Phones: | Address: |
|--|------------------|---------------------------|---|---|
| Україна, 252601 МСП, Київ-30 Володимирська, 54 | 331430 132091 | Ікар Наука (380 44) | 131376 IDEA UX Fax: (380 44) 224 32 43 | (380-44) 224 51 67 (380-44) 221 64 44 54, Volodymyrska St. Kyiv, 252601 Ukraine |

№ _____ *July 7, 1997* р.

Prof. Ostop Hawaleshka
Executive Director
Science and Technology Center in Ukraine
Laboratoryj Provulok, 3
Kiev, Ukraine

Ukraine concurs with the request of the European Communities to accede to the Agreement to Establish a Science and Technology Center in Ukraine (STCU) with a seat on the Governing Board.

Sincerely, *V. Bar'yakhtar*

Victor Bar'yakhtar
Vice President of NASU
Ukrainian Member of the Governing Board

Canadian Embassy



Ambassade du Canada

Kyiv 252034
31, Yaroslaviv Val str

July 7, 1997
QGTA-2159

Prof. Ostap Hawaleshka
Executive Director
Science and Technology Centre in Ukraine
3, Laboratorny Prov.
Kyiv, Ukraine

Dear Prof. Hawaleshka:

Canada concurs in the request by the European Communities to accede to the Agreement to Establish a Science and Technology Centre in Ukraine, and to the request by the European Communities for a seat on the Governing Board.

Truly,

A handwritten signature in black ink, appearing to read "Emil Baran".

Emil Baran
Canada Member of the Governing Board



GOVERNMENT OFFICES
Ministry for Foreign Affairs

Stockholm, 7 July 1997

Prof. Ostap Hawaleshka
Executive Director
Science and Technology
Center in Ukraine
Laboratornyj Provulok, 3
Kiev
Ukraine

EC accession to the STCU Agreement

Sweden concurs in the request by the European Communities to accede to the Agreement to Establish a Science and Technology Center in Ukraine, and to the request by the European Communities for a seat on the Governing Board.

Sincerely,

Martin Hallqvist
Ambassador
Swedish Member of the Governing Board



United States Department of State

Washington, D.C. 20520

July 15, 1997

Prof. Ostap Hawaleshka
Executive Director
Science and Technology Center in Ukraine
Laboratornyj Provufok, 3
Kiev, Ukraine

Dear Professor Hawaleshka:

The United States concurs with the request by the European Communities to accede to the Agreement to Establish a Science and Technology Center in Ukraine (STCU) and to the request by the European Communities for a seat on the Governing Board.

Sincerely,

A handwritten signature in black ink, appearing to read "John P. Boright".

John P. Boright
Executive Director
Office of International Affairs
National Research Council
U.S. Member of the Governing Board

ANNEX 4



MINISTRY FOR FOREIGN AFFAIRS

Department for Central and Eastern Europe (EC)

Ds: Ulf Sör/EC

| | | | |
|----------------------------|-----|-------|-----|
| Dnr | Avd | Grupp | Mål |
| | | | |
| <i>340/002-1 P 120 Euk</i> | | | |

December 5, 1996

European Commission
 Directorate-General 1A/C/6
 Rue de la Loi 200
 B-1049 Bruxelles/Wetstraat 200
 Belgium

EU Accession to the STCU

Dear Sirs,

With referende to the agreement reached between Sweden and the EU regarding the Communities' accession to the STCU in Kiyev during a meeting between officials of the DG 1A and Mr. Lars Bjarne, Ministry for Foreign Affairs, Sweden, in June this year I have the honour to confirm

- that Sweden, upon accession of the EU, is prepared to leave its Board seat in favour of the EU and attend Board meetings as an observer;
- that the Swedish Deputy Director of the STCU will become part of the staff to be seconded by the EU;
- that Sweden will continue to evaluate and fund projects through the EU's expert network and will decide on projects it want to finance or co-finance with the EU until Sweden's total budget is spent; and
- that Sweden will decide to leave the STCU Agreement when its whole budget has been comitted.

I am looking forward to your confirmation of the above agreement and the conditions reached by our two parties.

Sincerely Yours,

Lars Grundberg
 Lars Grundberg
 Head of Department
 ifylles av postexp

| | | | | | | | | | |
|--------------------|--|-------------------|--|-----------------|--|------------------|--|-----------|--|
| Postal Address | | Street Address | | Telephone | | Avsändningsdatum | | Sign | |
| Box 16121 | | Drottninggatan 16 | | +46 8 405 10 00 | | 96-12-10 | | <i>JP</i> | |
| S-103 23 STOCKHOLM | | | | | | | | | |

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Accession of the European Communities to the Agreement setting up the Centre for Science and Technology in Ukraine (CSTU)

1. BUDGET HEADING INVOLVED

Part B

Article B7-520 - Assistance to economic reform and recovery in the New Independent States and Mongolia.

2. LEGAL BASIS

Council Regulation (Euratom, EC) No 1279/96 of 25 June 1996.

3. DESCRIPTION OF OPERATION

- (a) The general objective of the Tacis programme is to support the reform process in the recipient countries, in particular by financing (or contributing to the financing) of assistance schemes designed to support the transition to a market economy and the democratic process.
- (b) The objective of the proposal is for the Communities to make a contribution to financing the CSTU's activities, which consist in the supervision and funding of scientific and technological projects for peaceful uses in Ukrainian institutes and - should they be interested - in institutes in other New Independent States.

4. CLASSIFICATION OF EXPENDITURE

Non-compulsory expenditure.
Differentiated appropriations.

5. TYPE OF EXPENDITURE

100% subsidy.

6. METHOD OF CALCULATION

Estimates are based on experience in previous financial years with the International Science and Technology Centre (ISTC), Moscow.

An amount of ECU 3 million will be reserved for this operation from the 1997 budget, comprising

- **ECU 184 712**, being the EC's only contribution to the fixed costs incurred by the CSTU, worked out as follows: $\text{USD } 805\,345/4 = \text{USD } 201\,336$, or ECU 184,712. The amount of USD 805 345 represents the CSTU's fixed costs divided by the number of parties, i.e. four.

- **ECU 12 060**, being the EC's contribution to the recurring portion of the CSTU's administrative budget for 1997 in proportion to each party's financial commitment, as follows:

$\text{USD } 844\,700/12 \times 3.1/16.6 = \text{USD } 13\,145$, or ECU 12 060.

The amount of USD 844 700 represents the recurring portion of the CSTU's administrative budget for 1997, divided by 12, on the assumption that the EC starts its activity with the CSTU at the beginning of December 1997.

The fraction 3.1/16.6 is the proportion of the EC's financial commitment after deduction of staff costs (i.e. USD 3.1 million) in relation to the parties' total commitment (USD 16.6 million).

- **ECU 350 000/year**, being remuneration of staff seconded by the EC, the amount being based on experience with the ISTC, broken down as follows:

ECU 210 000/year for a Deputy Executive Director's post;

ECU 140 000/year for a Project Administrator's post.

- **ECU 2 453 228** to finance projects approved by the EC, this amount being obtained after deduction of the abovementioned costs:

$3\,000\,000 - (184\,712 + 12\,060 + 350\,000) = 2\,453\,228$

7. SCHEDULE OF PAYMENTS

Commitment:

In respect of the current financial year and from the appropriations under Article B7-520: **ECU 3 million**

Payments:

Present forecasts of the rate of disbursement result in:

1997: ECU 196 772 (Contribution to CSTU budget)

1998: ECU 1 637 944 (Projects and staff)

1999: ECU 1 165 284 (Projects)

Projects are currently planned for a two-year life. The first project should be approved for financing by the Commission at the meeting of the CSTU Board in December.

8. FRAUD PREVENTION MEASURES

The CSTU and the Commission will apply the control procedures provided for in the Agreement setting up the CSTU and in its Statutes.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantifiable objectives

Results of the research project are intended to contribute to the solving of national and international technical problems or to lead to pre-industrial or industrial applications.

Target population: scientists and engineers in the New Independent States, particularly Ukraine, who have been involved, closely or otherwise, in the development of weapons of mass destruction.

9.2 Grounds for the operation

To help Ukraine's transition towards a market economy by contributing towards the financing of scientific and technical projects intended for civil use.

9.3 Monitoring and evaluation of the operation

The CSTU and the Commission will monitor and evaluate as provided for in the Agreement and the CSTU's Statutes. To projects which it is funding 100% the Commission will apply the monitoring and evaluation measures laid down for the Tacis programmes.

9.4 Coherence with financial programming

The operation is included in Tacis financial programming for 1997.

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

The necessary administrative resources will actually be provided as a result of the annual Commission Decision to allocate the resources, having regard to present resources and additional resources authorized by the budgetary authority.

10.1 Impact on the number of posts

| Type of post | | Staff to be assigned to administration of the operation | | of which | | period |
|------------------------------|---|---|-----------------|---|---------------------------|--------|
| | | Permanent posts | Temporary posts | from use of existing resources within the DG, service or department concerned | from additional resources | |
| | | 0.65 | 1 | | | |
| Officials or temporary staff | A | 0.50 | 0.33 | 0.83A | - | |
| | B | 0.15 | 0.33 | 0.48B | - | |
| | C | | 0.33 | 0.33C | - | |
| Other resources | | | | - | - | |
| Total | | 0.65 | 1 | 1.65 | - | |

The staff to be assigned to administering the CSTU operation will be paid from existing resources allocated to other tasks within the DGs concerned.

10.2 Total financial impact of the additional human resources

| | Amounts | Method of calculation |
|--|---------|-----------------------|
| Officials | | |
| Temporary staff | | |
| Other resources (state budget heading) | | |
| Total | | |

The additional human resources required will be covered by existing resources allocated to the DGs concerned; the estimated cost of the requirement is:

Titles A1, A2, A4, A5: $1.65 \times \text{ECU } 106\,000/\text{year} = \text{ECU } 174\,900/\text{year}$

10.3 Increase in other operating expenditure resulting from the operation

| Budget heading (No and description) | Amount | Method of calculation |
|--|--------|---|
| A 1300 | 12 000 | Three missions a year to Ukraine by two officials |
| Total | 12 000 | |

Costs of missions resulting from the operation will be covered by existing resources. Visits will be by permanent staff assigned to administer the operation in Brussels.

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