General Reports

CRDF ACTIVITIES WITH UKRAINE

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The U.S. Civilian Research and Development Foundation for the Independent States of the former Soviet Union (CRDF) is a unique public-private partnership to support cooperative, R&D-related projects between U.S. scientists and engineers and their counterparts in the former Soviet Union. The mission of the CRDF is to fund civilian projects conducted in the U.S and in the countries of the former Soviet Union (fSU). These projects should help sustain outstanding fSU scientific and engineering research capability, promote defense conversion and contribute to the development of market economies in the region.

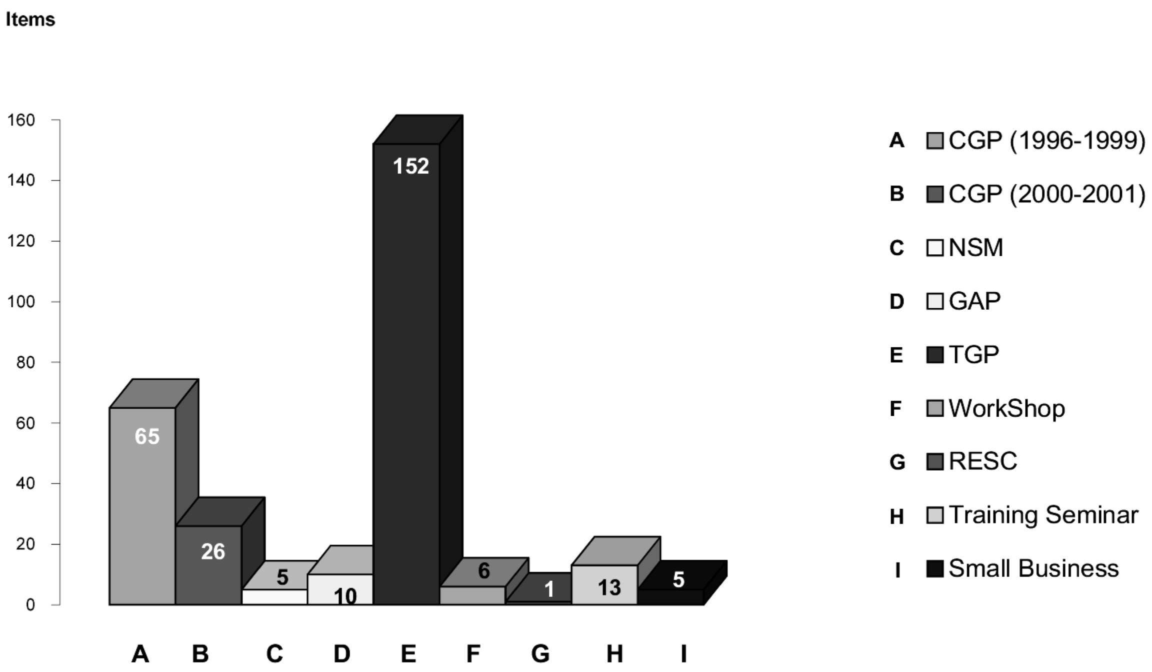
Since its operational inception in September 1995, the CRDF has established a strong working relationship with the Department of Science, Technology and Ecology of the Cabinet of Ministers of Ukraine and with the State Committee of Ukraine for Science and Intellectual Property (and its administrative predecessors). Ukraine's extraordinary commitment of up to $1.44 million to cooperative activities with the CRDF far exceeded the minimum requirement established by NSF ($156,045). It served as an example for other fSU counterparts to meet at least their minimum commitment to participate in CRDF programs. This relationship has been solidly defined by a series of MOU's and Decision Documents signed in December 1995, July 1996, October 1996, April 1997, and 1999.

CRDF has supported Ukrainian scientists with the following eight programs:

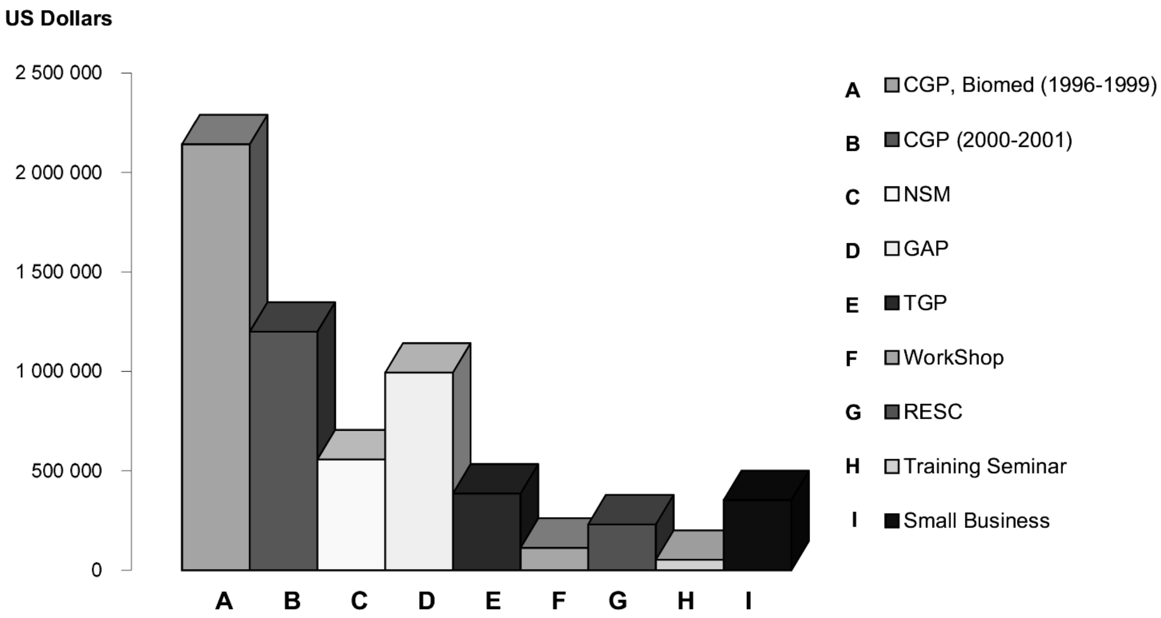
I. Cooperative Grants Program (CGP):

- Supports joint projects between scientists and engineers from the U.S. and countries of the former Soviet Union in all areas of civilian research and development. Grants provide individual financial support, equipment, and travel, with most overhead costs paid by Ukraine.
- Based on the results of CRDF's merit review, in April 1997, the CRDF and the Government of Ukraine announced 60 two-year awards at an average funding level of $45,107. Work conducted under these awards was completed by the end of 1999.
- This represents 21% of the 282 awards that CRDF has issued to all countries of the former Soviet Union under the original round of this Program.
- The original budgets for Ukrainian awards totaled $2,706,413, of which $1,361,678 was to be provided by CRDF and $1,344,735 was to be provided by Ukrainian sources. The actual amounts paid by CRDF and Ukraine respectively were $1,333,341 and $676,700.
- CRDF announced a second competition in June 1999. By the October 1, 1999 deadline, CRDF had received 225 proposals from Ukraine. This represents 18% of the total for the former Soviet Union of 1,250 proposals. CRDF plans to announce decisions on May 15, 2000. CRDF and the State Committee of Ukraine for Science and Intellectual Property have tentatively agreed to allocate up to $1.2 million, of which up to $1 million will be allocated by the CRDF, and the equivalent of $200,000 will be allocated by the Ukrainian side for supporting the Ukrainian host institutions.
- The US National Science Foundation (NSF) awarded CRDF an additional $160,000 to this program for two purposes: 1) provide stipends for Ukrainian young investigators participating on resulting CGP awards ($80,000); and 2) provide support for 4–5 scientific workshops in Ukraine which allow US and Ukrainian scientists

Number of the Projects Supported by the CRDF Programs in Ukraine



Funding of the CRDF Programs in Ukraine



to meet and discuss potential new projects to be submitted to the NSF, CRDF, or other agencies. By the January 15, 2000 deadline, CRDF received 43 workshop proposals.

II. Travel Grants Program:

- This program offers up to \$3,600 to promising young applied scientists and engineers from the former Soviet Union to facilitate their participation in selected meetings of industry associations and scientific and engineering professional societies in the United States.
- In the original round of this program, CRDF issued 141 travel grant awards to Ukrainian scientists totaling \$346,201 (average grant: \$2,455)
- This represented nearly 75% of the 193 total awards issued under the program.
- On June 1, 1999, CRDF initiated a modified version of the TGP, which provides travel support to fSU scientists strictly for the purposes of developing collaborations with U.S. businesses.
- CRDF announced a second round of the program on June 1, 1999.
- Under this round, CRDF has issued 11 awards to date to Ukrainian scientists for which it has obligated \$39,600.

III. “Next Steps to the Market” Program:

- Program intended to stimulate cooperation in applied R&D through the support of projects designed to facilitate and expedite the commercial utilization of research results.
- Financial support under this program includes targeted additional investments to supplement existing CRDF awards, training, travel, and other appropriate measures.
- Projects are designed to include appropriate cost sharing by the U.S. partner.
- CRDF has awarded three Next Steps grants for cooperative R&D projects between Ukrainian researchers and American companies that were developed from contacts the Ukrainian scientists made while they were in the United States under auspices of the CRDF Travel Grants Program.
- CRDF has contributed \$132,220 to these awards, with corporate partners contributing an additional \$425,300 (though not all of this amount went to Ukrainian scientists).
- CRDF announced a second round of the program on June 1, 1999.

IV. Small Business R&D Cooperation Program (Now closed to new proposals)

- Through this program CRDF hopes to assist the creation and growth of high technology business and to stimulate economic growth in Ukraine. In addition, the program will provide a mechanism for Ukrainian scientists, engineers and entrepreneurs to better understand commercial business practices and will provide access for U.S. companies to significant Ukrainian scientific talent and technology.
- This pilot program consists of two types of awards: Travel Grants and R&D Collaborative Grants
- Travel Grants. This component of the program supported travel grants of \$3,650 each for Ukrainian travelers. The grants enabled potential collaborators to meet and discuss the technology in question and its relevance to the business interests of both parties.
- In September 1998, CRDF made eleven (11) travel grant awards to Ukrainian scientists for travel to the United States to meet with representatives from U.S. Companies and discuss possible R&D collaborations.
- These travel grants resulted in fourteen (14) submissions to the Ukrainian Small Business Development Collaborative Grants Program.
- R&D Collaborative Grants for Small Business Partnerships. This component of the program provides technology development funding for partnerships involving Ukrainian and American small businesses (fewer than 500 employees).
- In April 1999, CRDF made five awards totaling \$250,000 for U.S./Ukraine collaborations involving small, high technology businesses to support research and development activities designed to facilitate and expedite the commercial utilization of research results in the U.S. and Ukraine.
- U.S. companies contributed funding in the amount of \$103,303 to projects in this program (though not all of this amount went to Ukrainian scientists).
- Experience in the operation of this program has enhanced planning for additional programs in this area.

V. Department of Commerce funded Training Program in Technology Development and Marketing:

- From March 1–5, 1999 with funding from the Department of Commerce and logistical support from the State Committee of Ukraine for Science and Intellectual Property, CRDF held a Technology Development and Marketing seminar in Kyiv for 14 competitively-selected Ukrainian scientists. A 15th Ukrainian participant attended a subsequent seminar in Yerevan.

- The seminar provided five days of training in the commercialization of technologies in the West for scientists in the Independent States. Practical and focused examples and advice were provided for three days on such topics as technology licensing, business plan development, patents and intellectual property. For two days, experts met with individual scientists to discuss their technology or process, and its commercial potential.
- CRDF is organizing one-week visits to the U.S. for 14 of the 15 Ukrainian participants to meet with potential U.S. business partners, participate in trade shows, and /or attend appropriate industry association meetings.

VI. Major Equipment for Regional Experimental Support Centers (RESC):

- Program aims to place major equipment at applied research centers where it can be used to carry out experiments underpinning technological development and sustainable economic growth on a regional basis.
- In Spring 1997, based on an expert review, CRDF announced award of a $231,000 Varian NMR Spectrometer to the Kavetsky Institute of Experimental Pathology, Oncology and Radiobiology in Kyiv.
- CRDF arranged for selected staff at the Institute to receive both facility management and technical training on the apparatus.
- This is one of seven RESC awards CRDF made throughout the former Soviet Union.

VII. Collaborations in Biomedical and Behavioral Sciences (Now closed):

- Supported collaborative research and development projects in the biomedical and behavioral sciences.
- Total funding was $1.5 million for all countries of the former Soviet Union.
- CRDF awarded five of the 43 two-year awards to Ukraine.
- The original budgets for these awards totaled $200,000, of which $100,000 was to be provided by the CRDF and $100,000 was to be provided by Ukraine. The actual amounts paid by CRDF and Ukraine respectively were $96,609 and $35,275.
- All awards were completed by the end of 1999, and CRDF is conducting an evaluation of the program.

VIII. Grant Assistance Program (GAP) 1998-Present

- GAP facilitates assistance efforts by public and private sector organizations in support of civilian scientific research, educational and charitable projects and activities in the former Soviet Union (fSU).
- GAP provides financial and administrative services to transfer and monitor project funds into the states of the former Soviet Union. Under this program the CRDF:
- Delivers project funds from Sponsor organizations directly to project participants into the fSU free of taxes.
- Provides support for the procurement and delivery of project equipment and supplies free of taxes and customs duties.
- Facilitates the arrangement of international travel.
- Provides detailed accounting to Sponsor organizations for all project funds administered by the CRDF.
- Only a few projects have been carried out in Ukraine, though CRDF believes the annual level of projects could easily approach $2–4 million given a clear and public tax exemption for such transfers and a clear, predictable and timely process to certify projects for tax-free treatment in Ukraine.