

# ISTC Statute

*[Approved on 66<sup>th</sup> GB meeting on July 11, 2018]*

## STATUTE

This Statute is adopted pursuant to Article 4(F) of the Agreement Continuing the International Science and Technology Center (“the Continuation Agreement”).

### ARTICLE 1 – THE ORGANIZATION

- A. The International Science and Technology Center (“the Center” or “ISTC”) is continuing its activities pursuant to Article 1(A) of the Continuation Agreement.
- B. The Headquarters of the Center is located in Astana, the Republic of Kazakhstan.
- C. ISTC Branch Offices or Information Offices may be opened and closed consistent with the needs of the ISTC and Article 3(iv) of the Continuation Agreement.

### ARTICLE 2 – PARTIES

- A. The European Union and EURATOM, acting as one Party, Georgia, Japan, the Kingdom of Norway, the Kyrgyz Republic, the Republic of Armenia, the Republic of Kazakhstan, the Republic of Korea, the Republic of Tajikistan, and the United States of America are the Parties to the Continuation Agreement at the time that Agreement entered into force. Parties may accede to or withdraw from the Continuation Agreement in accordance with Article 17(C) and Article 14(C), respectively, of that Agreement.
- B. Process for Accession to the Continuation Agreement

States may accede to the Continuation Agreement pursuant to Article 13(B) of that Agreement. Consistent with those provisions:

1. The Executive Director transmits a State’s request for accession to the Governing Board without delay and places the request for accession on the agenda of the first Governing Board meeting after the receipt of the accession request.
2. A State is permitted to accede to the Continuation Agreement if the Governing Board approves. The Executive Director communicates the Governing Board’s decision to the State requesting accession.
3. The Continuation Agreement enters into force for a State on the 30<sup>th</sup> day after the day on which the State deposits its instrument of accession with the Depository.

### ARTICLE 3 – GOVERNING BOARD

- A. Responsibilities

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The Governing Board has the responsibilities set forth in Article 4(B) of the Continuation Agreement.

### B. Membership

The Governing Board's membership is in accordance with Article 4(D) of the Continuation Agreement.

### C. Chairperson

The Governing Board selects its Chairperson, who is appointed for a two-year term with the possibility of renewal.

### D. Observers

1. An intergovernmental or non-governmental organization or State that is not a Party may request to participate in the Governing Board meetings as an Observer, consistent with Article 5 of the Continuation Agreement.
2. Such requests are made in writing to the Executive Director no less than 30 days prior to the next Governing Board meeting. The Governing Board will decide upon the request for Observer status at the next Governing Board meeting.
3. The Secretariat will create a Standard Operating Procedure document to guide the Observer process.

### E. Meetings

1. The Governing Board meets upon 30 days of prior notice from the Executive Director, after he or she consults with the Chairperson, except when a shorter period of notice is requested by the representatives of two or more Parties and agreed to by all Parties.
2. A quorum is established when representatives from at least half of the Parties are present.

### F. Procedures

The Governing Board may adopt its own rules of procedure, which address, *inter alia*, the method by which representatives to the Governing Board cast their votes, the participation of observers in the Governing Board meetings, and procedures for establishment of committees, working groups, and/or task forces. The Secretariat will maintain a written digest of the rules of procedure and inform the Governing Board when decisions before the Board will conflict with previously established rules.

## **ARTICLE 4 – SECRETARIAT**

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### A. Management and other staff

1. The structure of the Secretariat of the Center consists of the Executive Director (who serves as the Chief Executive Officer), the Deputy Executive Director(s), the Chief Financial Officer, and other staff.

#### 2. Executive Director

- a. The Governing Board appoints the Executive Director, upon nomination by a Party, for a two-year term with the possibility of renewal at the discretion of the Governing Board.
- b. The Governing Board has the authority to dismiss the Executive Director.
- c. The Executive Director supervises the daily administration of the Center and is responsible for implementing the policies and decisions of the Governing Board, including this Statute, through appropriate internal rules and regulations.
- d. The Executive Director is responsible for appointing and terminating staff, other than the Deputy Executive Director(s) and the Chief Financial Officer, consistent with decisions of the Governing Board.
  - i. When appointing staff, the Executive Director considers the paramount importance of employing staff of the highest standards of efficiency, technical competence, and integrity.
  - ii. The Executive Director ensures that such staff will have appropriate job descriptions.
- e. The Executive Director ensures that the Secretariat fulfills its responsibilities as the Depository for the Continuation Agreement, and he or she notifies the Parties of:
  - i. Deposits of instruments of accession and the fulfillment of entry into force requirements for the Continuation Agreement;
  - ii. Amendments of the Continuation Agreement and their dates of entry into force;
  - iii. Notifications of a Party's withdrawal; and
  - iv. Other notifications relating to the Continuation Agreement.
- f. If the Executive Director is going to be absent for a period of up to 30 days, he or she designates a Deputy Executive Director(s) to fulfill the duties of Executive Director for that period. For periods greater than 30 days but less than three months, the designation is made by the Governing Board.

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g. After three months of absence of the Executive Director, or upon the earlier permanent incapacity, as determined by the Governing Board, the Party that nominated the Executive Director will have the option to nominate a new Executive Director. Such nominees are subject to the Governing Board's approval. The applicable term will be the remainder of the term of the incapacitated or absent Executive Director, with the possibility of renewal at the discretion of the Governing Board.

### 3. Deputy Executive Director(s)

- a. The Governing Board appoints the Deputy Executive Director(s) for a two-year term with the possibility of renewal at the discretion of the Governing Board.
- b. The Governing Board has the authority to dismiss the Deputy Executive Director(s).
- c. The Deputy Executive Director(s) reports directly to the Executive Director.

### 4. Chief Financial Officer

- a. The Governing Board is responsible for appointing and dismissing the Chief Financial Officer.
- b. The Chief Financial Officer reports directly to the Executive Director.

## B. Functions

Under the guidance of the Executive Director, the Secretariat is responsible for, *inter alia*:

- a. Disseminating information about the Center, including its objectives and functions;
- b. Receiving proposals and information required in accordance with this Statute and preparing proposals for transmission to the Governing Board;
- c. Responding to expressions of interest from institutions, organizations, corporations and other intergovernmental organizations;
- d. Assisting the Parties and participants in the development of the activities of the Center;
- e. Collating the advice on the scientific and technical merit of project proposals;
- f. Communicating with those who apply to participate in ISTC activities;
- g. Bringing together specialists from the territories of the Parties with other specialists with similar interests;

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- h. Proposing for Governing Board approval the Center's activity plan and a budget for each year;
- i. Providing the materials that will be considered at a Governing Board meeting to the Parties 30 days before the meeting, to the extent practicable;
- j. Preparing Annual Reports of the Center's activities;
- k. Making the necessary arrangements for handling Confidential Information in the Secretariat;
- l. Serving as the depository of the Continuation Agreement; and
- m. Other functions assigned to it by the Continuation Agreement, this Statute, or the Governing Board.

### **ARTICLE 5 – SCIENTIFIC ADVISORY COMMITTEE**

#### A. Structure

Each Party may appoint representatives to the Scientific Advisory Committee (SAC), which may be established pursuant to Article 4(E) of the Continuation Agreement.

- a. The Parties are encouraged to appoint representatives with expertise in a broad range of scientific disciplines.
- b. The SAC representatives serve as independent representatives, not as representatives of the Parties appointing them.
- c. The SAC may propose the creation and membership of working groups, which are subject to the Governing Board approval.
- d. The Center provides secretariat functions for the SAC.

#### B. Meetings

- 1. The SAC meets at least once per calendar year to advise the Governing Board on the scientific merit and technical evaluation of project proposals submitted in response to a solicitation by the Secretariat.
- 2. Subsequent and additional SAC meetings can be held as necessary to review additional proposals, encourage and improve proposal submissions, or for other SAC matters related to the functions listed in paragraph C of this Article.
  - a. These SAC meetings can be requested by a SAC member through his/her appointing Party, by the Secretariat, or by the Governing Board.

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b. Approval for subsequent meetings lies with the Governing Board.

### C. Functions

1. The SAC provides general scientific and technological advice in relation to activities of the Center.
1. The SAC reviews proposals for projects that are submitted in response to a solicitation by the Secretariat and are under consideration for funding, to assess the proposed projects' scientific merits.
2. The SAC can also be called upon to evaluate the results of completed projects; to contribute and give guidance to the improvement of project proposals; to conduct seminars on topics of high scientific and technical importance; and to perform other tasks as assigned by the Governing Board.

### D. Procedures

SAC procedures are outlined in the SAC Terms of Reference (Appendix A).

## **ARTICLE 6 – PROJECTS**

### A. Definitions

1. Recipient Entity: An entity that receives funds for a project and executes the project.
2. Financing Entity: A Party, government, inter-governmental organization, non-governmental organization, private sector organization, foundation, academic and scientific institution that wholly or partially funds a project.
3. Intellectual property: As defined in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm on July 14, 1967.
4. Confidential Information: Information containing know-how, trade secrets, or technical, commercial, or financial information, which:
  - a. Has been held in confidence by its owner, who has not made the information available to other persons or entities without an obligation to maintain its confidentiality; and
  - b. Is not generally known or available to persons within a professional community that ordinarily deals with the kind of information in question.

### B. Project Guidelines

1. Open Call Proposals: Any person, institution, government, or intergovernmental or non-governmental organization (the “Proposer”) may submit a project proposal in response to

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an Open Call for Proposals announced by the Secretariat. The Secretariat will create a Standard Operating Procedure document to guide the Open Call process.

2. Targeted Proposals: The Secretariat, at the request of a Financing Entity, may also call for proposals from a single or limited group of institutions (a “Targeted Proposal”). The Targeted Proposal process generally will be determined by the Financing Entity and the Secretariat.
3. Projects must be approved by the Governing Board to be financed or supported by the Center, Parties, non-governmental organizations, foundations, academic and scientific institutions, intergovernmental organizations, and organizations in the private sector.
4. Each project:
  - a. Must be fully consistent with the provisions of the Continuation Agreement; and
  - b. Must have concurrence from the State(s) in which the project will take place.

### C. Governing Board review and decision

1. At a Governing Board meeting, the Governing Board reviews project proposals that the Secretariat has provided for consideration, and votes to approve, reject, modify, or defer a decision on each proposal.
2. The Executive Director may submit a project proposal to the Governing Board between its meetings by way of written procedure and receive a Governing Board vote electronically.
3. The Executive Director will promptly communicate the Governing Board’s decision to the Proposer.

### D. Project Agreements

1. For each project, including one developed from a Targeted Proposal, the Center, acting through the Executive Director or his or her designee, enters into a written project agreement for the project with the Recipient Entity (or Entities) based on the template of a model project agreement.
2. The Governing Board approves the model project agreement and any modifications to it.

### E. Treatment of Information

1. The Center will give due regard to preventing, when soliciting proposals and disseminating proposals and related reports for review, and making available project results:

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- a. The seeking or disseminating of any information of a national security nature;
  - b. The transfer of information in a manner that is prohibited under relevant international rules and practices for the nonproliferation of weapons and other sensitive technologies, in particular information related to the activities covered by Article 2 of the Continuation Agreement; and
  - c. Unauthorized or otherwise illegal disclosures of Confidential Information.
2. Each Party will use its best endeavors to ensure, consistent with this Statute:
- a. The maintenance of confidentiality regarding any Confidential Information received or provided pursuant to a project agreement. Such information will remain confidential after the termination of the Continuation Agreement or any successor agreement;
  - b. The appropriate dissemination and use of non-Confidential Information created, provided, or exchanged in the course of a project;
  - c. The exploitation of intellectual property directly arising from a project, consistent with the objectives identified in Article 2 of the Continuation Agreement;
  - d. The adoption and implementation of international technical standards; and
  - e. Fair competition in areas affected by the Continuation Agreement.

### F. Financing and Payments

1. The Governing Board is responsible for approving project implementation fees, a register of which will be maintained by the Secretariat.
2. A Financing Entity makes a written commitment to the Center and ensures that funds are available for use by the Center in those amounts required to execute the project. The Center will promote co-funding of projects on a networking basis with institutes and other entities where project implementation takes place.
3. Payments of funds for projects may be made to the appropriate organizations and individuals in a currency that is widely accepted around the world as a form of payment for goods and services or in the local currency in accordance with national laws.

### G. Auditing and Monitoring

1. In accordance with the Continuation Agreement and the following principles, all funds contributed for a Project are subject to audit by the Center or a Financing Entity:
  - a. Audit of costs must assure that only costs eligible for reimbursement under the terms of the project agreement have been reimbursed;



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- b. The Center, a Financing Entity, or audit organizations as specified by the Governing Board may perform such audits or engage others to do so;
- c. Accounting systems used by Recipient Entities must be acceptable to the Center or the Financing Entity and are subject to review and audit;
- d. Audit reports pertaining to a project must be available to the entities audited, the Center, and all Financing Entities; and
- e. Allowable costs based on the result of an audit are determined by the entity performing the audit or engaging others to do so. Any disputes about allowable costs must be settled in accordance with resolution of dispute procedures included in the project agreement.

### **ARTICLE 7 – INTELLECTUAL PROPERTY**

- A. With respect to intellectual property, for each project with only one Recipient Entity and only one Financing Entity, the project agreement must provide that:
  - 1. The Recipient Entity (or its designee) will hold or have the right to hold all intellectual property rights directly arising from the project and, where necessary under applicable law to hold such rights and in territories in which it chooses to hold such rights, will secure in accordance with applicable law adequate protection of such intellectual property rights. If, in the territory of a Financing Entity that is not the same as the territory of the Recipient Entity, the Recipient Entity (or its designee) chooses not to secure in accordance with applicable law adequate protection of such intellectual property rights, as necessary under applicable law to hold such rights, the Recipient Entity (or its designee) will, upon request by the Financing Entity, assign to it the right to hold such intellectual property rights and secure protection thereof in its territory.
  - 2. Each party to the project agreement is entitled to a global non-exclusive, irrevocable, royalty-free license with the right to sub-license to translate, reproduce, and publicly distribute scientific and technical journal articles, reports, and books directly arising from the project. When the objective of a project is only to produce an article, report, or book, which is expected to be valuable in itself, the parties to a project agreement must agree to and specify applicable terms concerning licensing rights in their project agreement.
    - a. The Recipient Entity (or its designee) will grant the Financing Entity (or its designee) an exclusive, irrevocable, royalty-free license of intellectual property rights arising directly from the project (with the right to sub-license) for commercial purposes in that Party's territory. In the cases of patents, the Financing Entity and Recipient Entity will agree on appropriate compensation for persons named as inventors and state such terms in the project agreement. Costs of securing protection in accordance with applicable law of such intellectual property rights in the Financing Entity's territory, if any, will be borne by the licensee. When the benefits from the exploitation of intellectual property arising directly from the project are expected to exceed

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significantly the Financing Entity's expected contribution, the parties to a project agreement must agree to and specify applicable terms concerning licensing rights in their project agreement.

- b. Upon the request of the Financing Entity (or its designee), the Recipient Entity (or its designee) will enter into negotiations for the grant to the Financing Entity (or its designee) of licenses of intellectual property rights arising directly from the project for commercial purposes in additional territories on fair and reasonable terms.
  - c. Upon the request of a Non-Financing Party (or its designee), the Recipient Entity (or its designee) will grant such Non-Financing Party (or its designee) a non-exclusive license of intellectual property rights arising directly from the project for commercial purposes, with the right to sublicense, in that Non-Financing Party's territory, on fair and reasonable terms to be mutually agreed, taking into account that Non-Financing Party's contribution to the establishment and operation of the of the ISTC; the Financing Party (or its designee) will be entitled to such a license on the same terms in that non-Financing Party's territory.
  - d. The Recipient Entity (or its designee) will grant a non-exclusive, irrevocable license for non-commercial use of any intellectual property rights arising directly from the project, with the right to sub-license, to the Center globally and to each other party to the project agreement (or its designee) for the territory of each such party in which the intellectual property rights are protected. Upon request from a party to the project agreement, other parties to the project agreement will exchange information on licenses and sub-licenses granted under this paragraph.
3. The party that will be responsible for maintaining, in accordance with applicable law, continued protection of intellectual property rights arising directly from the project, including payment of fees, if any, must be identified.
  4. All publicly distributed copies of a copyrighted work arising from cooperation under the project must indicate the names of the authors of the work unless an author explicitly declines to be named.
  5. When a Recipient Entity grants a license for intellectual property rights arising directly from a project agreement, it must provide to the licensee the information held by the Recipient Entity, except Confidential Information or any other information referenced in Article 6.D.1 above, that is reasonably necessary for the exploitation of the intellectual property rights, provided that the Recipient Entity is authorized to disclose such information under applicable law.
- B. If, in the case of a project with only one Recipient Entity and only one Financing Entity, those Entities would like their project agreement to include intellectual property terms that differ from those identified in paragraph A of this Article, the Entities will direct a request for an exception to the Executive Director, who will transmit the request to the Governing Board for its decision (which may be provided through a written procedure).

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- C. For each project with more than one Recipient Entity or more than one Financing Entity and for each project that has received an exception as described in paragraph B of this Article, the parties to the project agreement must develop and agree upon terms to allocate amongst the parties; secure in accordance with applicable law the protection of; and maintain in accordance with applicable law (to include payment of fees, if any) continued protection of intellectual property rights consistent with the principles of the Continuation Agreement and their laws and regulations, and they must specify such terms in their project agreement. Such terms should be informed by the terms in paragraph A of this Article, to the extent practicable.

### **ARTICLE 8 – FINANCE**

#### A. Accounts, Party Contributions, and Other Funding

1. The Center establishes and maintains appropriate project and administrative bank accounts in one of the Party’s territories and also appropriate accounts as approved by the Governing Board in order to consolidate financing for projects and administration.
2. Without prejudice to any other Article of this Statute, each Party or other entity providing funds or donations consistent with Article 3(iii) of the Continuation Agreement may deposit any or all of its monetary contribution to the Center for operating costs, projects, and all other expenses in accordance with its laws and regulations into an account in the name of the Center or directly into the Center project and administrative accounts. At the discretion of the Party or other entity, this contribution may be made subject to a written arrangement with the Center and may be maintained in any currency.
3. Funds that are deposited in the Center’s bank accounts pursuant to paragraph A.2 of this Article will be disbursed from the bank account by the Executive Director or his or her designee in accordance with procedures approved by the Governing Board and/or any arrangement between the Center and the relevant Party.

#### B. Project Fees

1. The Governing Board may approve and charge project implementation fees to any Partner (i.e., certain governmental and non-governmental entities), or other entity, including a Party, that wholly or partially funds a project.
2. The Secretariat will maintain a register of fees charged to each entity.

#### C. Administrative Operations Assessments

1. The Annual Operations Budget (“AOB”) is the budget that the Secretariat prepares annually, based on the requirements to operate the Center and support current and anticipated projects.

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2. The Secretariat will maintain a Standard Operating Procedure on the methodology for AOB calculation and the decided-upon contribution levels by each Party or any other relevant entities.

### D. Annual Budget Process

1. The fiscal year of the Center is the calendar year.
2. By November 15 of each year, the Executive Director submits to the Governing Board the annual budget estimates for the expenses of the Center in the following year, including a detailed breakdown per activity and overview of the planned activities.
3. The Center's budget excludes costs of facilities, along with maintenance, utilities and security for the facility, which will be provided by the Republic of Kazakhstan free of charge pursuant to Article 9(B) of the Continuation Agreement and a Memorandum of Understanding between the Center and the Government of the Republic of Kazakhstan or any successor arrangement or agreement thereto.
4. The Governing Board approves the annual budget with any amendments and returns the budget by December 31 to the Executive Director for execution during the following year.
5. Upon the approval of the annual budget by the Governing Board, each Party, as appropriate, ensures that funds are transferred for use by the Center.
6. Any funds remaining uncommitted from all the annual budgets at the end of each fiscal year are returned to the funding Party's undesignated account.
7. Withdrawal by a Party from the Continuation Agreement does not affect the financial commitments that it has made under paragraph C of this Article.

### E. Reporting

The Executive Director will inform the Governing Board on a quarterly basis, in the level of detail and format required by the Governing Board, on the state of implementation of the projects, execution of the administrative operations budget for the current year, planning of the future year administrative operations budget, supplemental budget activities, SAC activities, workshops, symposia, seminars, and other Center activities.

### F. Annual Audit

1. An annual audit by an auditor approved by the Governing Board is conducted of the Center's expenditures and related financial activities.
2. The Executive Director transmits the results of the audit to the Governing Board within 30 days after completion.

## **ARTICLE 9 – PERSONNEL POLICIES**

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### A. General rights and obligations

1. The personnel policies of the ISTC are defined and implemented on the basis of the principles of merit, competence, and integrity.
2. The Executive Director ensures that the rights and responsibilities of staff, as set out in the Statute and in the relevant rules and regulations of the ISTC, are respected.
3. These policies apply to all staff at all levels.

### B. Recruitment, appointment and performance review

#### 1. Recruitment and selection process

- a. In accordance with provisions established by the Governing Board, the Executive Director implements an internal staff recruitment procedure to implement staffing plans approved by the Governing Board.
- b. The Executive Director seeks to ensure that the paramount consideration in the determination of the conditions of service will be the necessity of securing staff of the highest standards of merit, competence, and integrity.
- c. Selection of staff is made without distinction as to nationality, race, sex, religion, age, sexual orientation, or disability and on a competitive basis without influence from the Parties.

#### 2. Appointments

Each staff member receives a letter of appointment detailing the terms and conditions of employment.

#### 3. Performance review and compensation

- a. The Executive Director establishes a system memorialized in a Standard Operating Procedure document by which the performance of staff members is appraised at least on an annual basis. The appraisal may also be a way to contribute to the development of individual staff.
- b. Performance appraisal reports are shown to the staff member for his or her comment and form part of his or her record.
- c. The Executive Director is responsible for ensuring that any performance problems are addressed through appropriate disciplinary measures.
- d. The compensation system in the Secretariat is based, in part, on the regular appraisal of the performance of staff.

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### 4. Other

- a. The Executive Director is responsible for establishing and maintaining a sound, transparent, and effective human resources policy at the Center.
- b. The Executive Director establishes detailed rules to be approved by the Governing Board related to recruitment, appointment, conditions of employment, salary and any other compensation and payments, performance, leave, complaints, disciplinary measures, termination, and all other relevant issues.
- c. The ISTC will not enter contractual arrangements with a former staff member for a period of two years after the cessation of employment, unless the Governing Board specifically approves an exception to the time limit. This limitation does not preclude Parties from working with a former staff member on ISTC matters, including allowing such a person to serve as a representative of a Party to the ISTC, provided that the former member's work is conducted on behalf of the Party and does not involve a contractual arrangement between that person and the ISTC.

### **ARTICLE 10 – SUPPLEMENTAL ARRANGEMENTS**

- A. Each Party may make supplemental written arrangements (“Supplemental Arrangements”) with the Center that are consistent with the Continuation Agreement and approved by the Governing Board.
- B. The Secretariat will maintain a registry of Supplemental Arrangements.

### **ARTICLE 11 –MODIFICATION OF STATUTE**

- A. This Statute may be modified by consensus of the Governing Board.
- B. The Executive Director will maintain a consolidated version of the Statute that compiles all changes made by the Governing Board and details the date each change is made.