

18th GOVERNING BOARD MEETING
EUROPEAN STUDIES INSTITUTE

Moscow, 8 November 2013

MGIMO, 119454 Moscow, Prospect Vernadskogo, 76
10.00 am, Academic Council room
(MGIMO new building)

AGENDA

1. **Adoption of the agenda and introduction of the Head of the EU Delegation in Russia – Ambassador Vygaudas Ušackas**
Speaker: Y.V. Ushakov
2. **Report (Minutes) of the 17th Governing Board meeting of 20 April 2013**
Speaker: A.V. Torkunov
3. **Brief review of the current ESI activities**
 - a. **Report on events, modified structure of the ESI administration and managerial issues**
Speaker: T.V. Shashikhina
 - b. **Enrollment at the ESI for the 2013-2014 academic year**
Speaker: M.J. Sielski
 - c. **Cooperation with the College of Europe**
Speaker: J. De Mondt
4. **Report on the meetings of the ESI Executive Committee**
Speakers: J.W. De Zwaan and G. Hafner
Co-speaker: A.A. Gromyko
5. **ESI budget estimation and future financing**
Speaker: T.V. Shashikhina
6. **ESI Board of Trustees**
Speaker: A.V. Khudaykulova
7. **Any other business**
8. **Date and place of the next Governing Board meeting**

LIST OF PARTICIPANTS
 18th GOVERNING BOARD MEETING
 EUROPEAN STUDIES INSTITUTE AT MGIMO (U)
 8 November 2013

MGIMO, Prospect Vernadskogo, 76
 10.00 am, Academic Council room, aud. 423
 (MGIMO new building)

The Governing Board members from the Russian Federation side

Mr. Anatoly TORKUNOV	Rector of the MGIMO-University, Member of the Russian Academy of Sciences
Mr. Ivan Soltanovsky	Director of the Department of European cooperation of the Ministry of Foreign Affairs, on behalf of Mr. A.Meshkov
Mr. Boris Zhelezov	Deputy Director of the Department of international cooperation, Ministry of Education and Science of Russia, on behalf of Mr.E.Ugrinovich
Mr. Sergey KRASILNIKOV	Deputy Director of the Department of Europe, Ministry of Economic development of the Russian Federation, on behalf of Mrs. E.Danilova
Mr. Alexey GROMYKO	Deputy Director, Institute of Europe of the Russian Academy of Sciences
Ms. Alexandra KHUDAYKULOVA	Vice-Rector of the MGIMO (U)
Mrs. Tamara SHASHIKHINA	Director, European Studies Institute

The Governing Board members from the European Union side

Mr.Jaap de ZWAAN	Professor, Erasmus University, Rotterdam, Netherland
Mr. Eiki BERG	Professor of International relations, Department of Political Science, University of Tartu, Estonia
Mr. Klaus SEGBERS	Program Director, Centre for Global Politics, Freie Universitat Berlin

Mr. Gerhard HAFNER	Professor of International law, School of Law, Vienna University, Austria
Mr. Daniel TARSCHYS	Professor of Political Science and Public Administration, Stockholm University, Sweden
Mr. Dimitrios TRIANTAFILLOU	Director, Center for International and European Studies (CIES), Kadir Has University, Istanbul
Mr. Renatas NORKUS	Ambassador of the Republic of Lithuania to the Russian Federation
Mrs Danai-Magdalini KUMANAKU	Ambassador of Greek Republic in the Russian Federation

Observers

Mr. Vigaudas USACKAS	Head of the EU Delegation to the Russian Federation
Mr. Nicola SCARAMUZZO	Project Officer, Educational Programmes, Operations section, European Union Delegation to the Russian Federation
Mr. Jan De MONDT	Rector of College of Europe, Bruges
Mrs. Evangelina BLANCO GONZALEZ	Project Manager, College of Europe, Bruges

Absents

Mr. Yury USHAKOV	Aid to the President of the Russian Federation
Mr. Aleksey MESHKOV	Deputy Minister of Foreign Affairs of the Russian Federation
Mr. Evgeniy UGRINOVICH	Director of the Department of International Cooperation, Ministry of Education and Science of the Russian Federation
Mrs. Elena DANILOVA	Director of the Department of Europe, Ministry of Economic Development of Russia

Guests

Mr. Donatas ASHKINIS	Counselor of the Lithuanian Embassy in the Russian Federation
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Mrs. Svetlana KORJOVA	Second secretary, Department for European cooperation of the Ministry of Foreign Affairs of the Russian Federation
Mr. Mikhail MARCHAN	Deputy Director, European Studies Institute
Mr. Mariusz SIELSKI	Representative of the College of Europe to the European Studies Institute
Mrs. Natalia ADAMCHUK	Head, Department of the EU Economics, European Studies Institute
Mr. Oleg BARABANOV	Head, Department of Politics and Policies of the EU and the Council of Europe, European Studies Institute
Mr. Gennady TOLSTOPIATENKO	Head, Department of the EU Law, European Studies Institute
Mrs. Olesia KHOLOD	Department of international cooperation of the Ministry of education
Mrs. Natalia SLAVKINA	Counselor, European Studies Institute

BOARD MEMBERS PROPOSALS AND DECISIONS

On the First Issue:

The following members took part in the discussion: A.Torkunov, G.Hafner

A.Torkunov greeted members of the Governing Board (GB) and informed about impossibility of attend the meeting by some Russian and EU members of the GB: Mr. Y.Ushakov was absent due to preparations for upcoming visits of the President of the RF; Mr. D.Soltanovsky was to the meeting on his behalf; Mr. S.Krasilnikov was representing the Ministry of Economic development of the Russian Federation; Mr. B.Zheleznov represented the Ministry of Education. Introduced the new Head of the EU Delegation to the Russian Federation – Mr. Vigaudas Ushazkas. Expressed gratitude to Mr. Ušackas who has already taken an active part in the opening ceremony of the ESI new academic year and in the meeting with the members from the State Duma Public Chamber. Greeted Ambassador of the Republic of Lithuania to the Russian Federation Mr. R.Norkus and Ambassador of Greek Republic to the Russian Federation Mrs. Danai-Magdalini Kumanaku. Rector of MGIMO (U) A.Torkunov proposed to adopt a draft Agenda, based on the proposals of the Executive Committee (Execom).

G. Hafner reminded that the Execom agreed to include in the Agenda the question about the assessment of the ESI efficiency. Proposed to consider this matter in the framework of item 3 of the present Agenda.

The Board members:

Adopted the Agenda prepared by the Executive Committee (Execom) of the ESI.

On the Second Issue:

A.Torkunov: The Minutes of the 17th Governing Board meeting has been prepared and circulated among the members and observers, then approved by the members of the Governing Board and signed by the Chairman in strict accordance to the procedure.

The Board members:

Approved the Minutes of the 17th Governing Board.

On the Third Issue:

The following members took part in the discussion: A. Torkunov, T. Shashikhina, G. Hafner, J.de Zwaan, D. Triantafillou, V. Ušackas, J. De Mondt, M. Sielski.

On point “a”

T.Shashikhina: Informed that the ESI fully fulfilled the obligations and had any major disruptions in its activity. The ESI has been entrusted by the previous GB to enroll new students to the ESI Master’s programme 2013-2014: 121 students has been successfully enrolled into the programme their study being financed from the budget of the Russian Federation (in accordance with the quote approved by the Ministry of Education). At the same time, 6 students have been admitted on the fee-basis. These incomes could establish a budgetary fund to finance the ESI activities through December 31, 2014 which is fully in line with the current Grant Contract.

The ESI administration has substantially reduced the expenses on ESI activities intensity and number of events remaining at the same level, though.

Given the importance of the research activities the ESI had selected several projects in the framework of the Open Call and signed a Memorandum of cooperation with Belgorod State University. One of the tangible results of the above mentioned initiative are academic papers (published on the ESI web-site) and the presentation of ESI-statutory activity at Belgorod University. Combining two main strategies led by the ESI – regional and research aiming ones – the ESI is fulfilling budgetary requirements under this item.

The ESI is actively engaging itself in work with Association supporting small business and enterprises in Russia. A respective Agreement of cooperation aiming the project of development of youth entrepreneurs has been recently signed.

The ESI is closely cooperating with the Association of the European business in Russia (Chairman of the Association is Mr. Schauff). The ESI received confirmation that the

Association of European business is ready to raise the issue of possible participation in the ESI Board of Trustees among the members of the Association. Mr.Schauff confirmed that relevant proposal would be voiced at the meeting of the Association on November 13, 2013.

Moreover, the ESI project benefitted from the support of the Ministry of Economic development of the Russian Federation and has been invited to take part in an intergovernmental Russia-Belgium-Luxemburg Chambers of Commerce round table discussion to be held in November 13, 2013, in Brussels. The ESI Director has been requested to a concise presentation of the ESI current activity. Supposedly, it might attract the attention of participants to the Brussels meeting to the financial issues and prospects of further development of the ESI. In the framework of the same visit, the ESI delegation would take part in the “Partnership for modernization” intergovernmental meeting gathering Russian and EU experts. This venue would offer an opportunity to define the possible mechanism of a future financing the ESI.

The ESI has made efforts in order to support the budget and attract additional financing in the framework of project grant. The ESI has won and received the subsidy from the Department of Education of the Moscow City Administration for organizing a short-term courses “Mechanisms of anticorruption and national practice” with the participation of experts from the Council of Europe. 130 civil servants have been awarded with certificates of attendance in this training programme.

Another aspect of ESI funding that the ESI leaders started exploring is that of participation in a tender at the expense of MGIMO Board of Trustees. The ESI bid (organization of Forum for European researches) is under consideration, the results of the tender will be published in April-March 2014.

Independently of austerity in expenditure that is a principal line of the ESI at the current moment, the Institute has managed to ensure financing of several expert panels and conferences (the list of events is attached). The ESI is always uses these opportunities to invite representatives from the EU Embassies. The ESI administration is particularly for the support and active role of Polish and Lithuanian Embassies in such events and consider them as a useful instrument of familiarization with the ESI activities and its students. These events are non-profit, open for public, the registration is done online.

As for now the ESI still has some non-implemented, “pending” initiatives: the Centre for preparation for international insurance exam has not set up yet. The opening of this Centre is a part of the Open Call project. Certain technicalities had emerged on the phase of realization of this project. The ESI is seeking for the support and approval by the Governing Board for financing two-weeks stage in London for a future trainer (professor) necessary for obtaining a respective license authorizing to teach and to issue certificates to participants. The above mentioned project is unique in Russia: there are no such Centers in the country and this activity could bring a net benefit to the ESI budget in the future.

The ESI is looking for offering graduates a possibility of continue their study on the PhD level. Two chairs (departments) are currently conducting such programmes: In the framework of Chair of EU Economics a former ESI student, A.Ignatushenko, is preparing her PhD thesis.

The Alumni Association (Club) activity is worth of noticing: two major expert panels have been held recently with participation of external specialists and current ESI students. The next Alumni expert panel is planned for December 2013. Such events contribute not only to deepening the inter-ministerial cooperation but they also provide a synergetic feed-back.

On the initiative of ESI former student, Mr. V.Sokolov, the Institute conducted a professional training in the framework of “Public Diplomatic Corpus” organized by the Public Chamber for young regional leaders from Russia, CIS, Lithuania and Estonia. This event helps a lot to implement regional strategy without additional spending from the ESI side. The ESI administration is looking for the GB approval of this initiative.

The ESI has analyzed a preliminary expenditure as for October 1, 2013. Currently more than 85% of the 6 millions, that ESI had been allocated with, have been spent, the rest of 1 million 400 euro will make the ESI at ease to maintain its smooth functioning through December 31, 2014.

Besides that, the ESI attracted the funds of students following Master programmes on the fee-paying basis for continuing summer stages for students. Summer stages are the most expensive item in the ESI budget so the ESI administration for saving the budget reduced up to 95% the stages and trips of the ESI professors to the EU institutions preserving only those which are made on the invitations of the GB members (on the invitation of E. Berg – to Tartu University and on the invitation of D. Triantafillou).

Speaking of the ESI employees – the ESI is fully staffed, on the exception of the Department of Economics. The ESI administration selected among candidates who had passed successfully testing time and now the ESI administration is asking for the GB approval these nominations.

G.Hafner: supported the initiative of Alumni expert panels.

D.Triantafillou: supported the initiative of summer stages in partner institutions on the basis of co-financing. Noticed the importance and feed-back of such events.

B. Zhelezov: confirmed that the ESI graduates constitute a highly professional core of the Department of international cooperation of the Ministry of Education. Stressed out a great value of the ESI programmes for the civil servants. Wondered about the Agreement with Belgorod State University.

T.Shashikhina: answered that the Agreement with Belgorod University was a random choice and it has been concluded because one of the Open Call winner is a young professor assistant from Belgorod. The result of such cooperation is the ESI presentation in Belgorod University, research papers and Agreement.

The ESI has more than 20 regional partners Agreement of cooperation. A detailed report regarding the regional strategy had been presented on the 17 GB meeting.

A.Torkunov: stressed that regional strategy is quite successful but it is not depending on the ESI or MGIMO only. For example, Altai University and Kaliningrad University that are situated quite far from Moscow are very EU-integration oriented. At the same time some much

closer situated partner universities are not very active and eager to develop study-programmes in this field.

V. Ušackas: greeted the members of the GB and congratulated the MGIMO with 69 anniversary.

Noticed that the EU has 15 regional centers in Russia from Tomsk to Kaliningrad. The EU Delegation holds every year a meeting with Directors of the above mentioned Centres in the premises of the Delegation. Proposed to the ESI to share this contact base to develop regional cooperation.

T. Shashikhina: thanked for the proposal and said that the ESI has already been actively and fruitfully cooperating with majority of these Centers.

A. Torkunov: supported a rational and right approach of the ESI administration in regards of professors stages abroad. The ESI reduced them to save relevant funding for student summer stages (Bruges, Brussels and Vienna).

G. Hafner: reminded about the assessment of the ESI activity and functioning.

T. Shashikhina: remarked that such assessment could be more effective and objective after auditing approval of the ESI expenditures. It would be premature to estimate spending on such an incomplete basis. Monitoring substantive activities is usually carrying out in the context of financial matters. Noticed that the ESI programmes have been internationally accredited this year. The benchmark of its efficiency and attractiveness is a high competition during enrollment – five applicants for one place.

A. Torkunov: pointed out that there are methods used by European Commission in this regards. Last year MGIMO went through international accreditation done by SEWA agency (this agency is for granting accreditation to Free University of Berlin). Three EU expert teams worked in MGIMO and all programs received certification for five up-coming years. Furthermore, the Ministry of Education of Russia is annually carrying out accreditation of all high education programs, excluding non-effective universities. Such accreditation has been successfully carried out this year as well.

Proposed to the members of the GB to present their proposals for the next GB in regards of particular methodology of the ESI assessment because the ESI project is unique in its kind.

On the point “b”

M. Sielski: greeted the members of the GB and reported about the students enrollment for Master’s Degree programmes in 2013-2014. Reminded that the College of Europe has been monitoring the selection procedure since 2009 so it could be possible to arrive to comparisons and conclusions.

In comparison with 2009-2012 period a positive trend: is to be noticed — the selection procedure is run smoothly and in a more effective way, the rating of candidates are going higher.

429 candidates from ministries have been recommended to the Master program 2013-2014, 309 applications have been submitted, 127 persons went through selection (121 – are financed from

the federal budget, 6 – on a fee-basis). 58 students are selected to EU Law, 35 students – to EU Economics, 28 students- to EU Policies & Politics.

A big group of students – 33 persons – aged in between 21 to 24. At the same time there is a small increase in number of students aged 50 years. An average age of the ESI students having been since 2008 — 29 years old.

Institutional and regional affiliation: 8 representatives from regions (twice as much in comparison with previous year) – a positive trend; 42 students – civil servants from federal ministries and agencies; 3 students from private sector; several students from Moscow Arbitrary Court and one student from Trade Chamber of Moscow. For the first time – 6 students from the Eurasian Economic Commission. The core group of the ESI Student Body are graduates from state federal universities, regional and private institutions. Novelty is that this year the ESI admitted also bachelors (BA) to the Master programmes as well as specialists and Masters. 22 students (18%) have PhD, but are looking for the profiled specialization that the ESI offers.

E.Berg: noticed that it is challenging to teach students with such different background and level of preparation and wondered how the ESI manages to do that.

M.Sielski: remarked that the ESI academic programme is successfully coping with this task. It is focused on interdisciplinary approach and divided into specialization in modular shape. The ESI programme previews seminars in small groups and introduces starting this year individual consultations. All these methods contribute to ensure a more individualized approach to each student.

G.Tolstopiatenko: remarked that as a member of students selection committee since the first ESI enrollment he remarked that during seven consecutive years the selection criteria have been modified while taking into account the level of preparation of candidates, their aspirations and the standards of high education. Previous experience has shown that the EU Law specialization is highly difficult to attend without basic legal background. That is why the ESI is currently admitting to this Major students with legal background.

T. Shashikhina: noticed that the Russian legislation does not require a relevant basic specialisation for Master's program. The ESI can not violate the legislation. At the same time she confirmed that the Master's programme is elaborated in such a way (mandatory and facultative courses, flexible modules, individual consultations) that all students reach necessary professional level of education by the time of graduation.

D.Triantafyllou, J.de Zwaan: proposed to involve merely students with PhD degree into research activities of the ESI.

On the point “c”

J. De Mondt: greeted the meeting on behalf of a new Rector of the College of Europe
Mr. J. Monar.

Reported about continuation of the College of Europe partnership with the ESI beyond 2014:

- Identification and recruitment of international teachers/experts for the ESI's Masters Programmes;
- Organisation of the two-week yearly ESI Summer Seminar and study visits in Bruges, Brussels and Luxembourg;
- Organisation of the training of EU Terminology in English and French for ESI/MGIMO professors;
- Participation in meetings of the ExeCom, Governing Board or any other newly established working group or body of the ESI.

Reported that the College of Europe and the ESI have been exploring other possibilities of cooperation, such as organisation of other specialised training seminars, taking into account the priorities established in the EU-Russia modernization partnership and consequent evolving training needs of Russian public administration, business representatives and other relevant stakeholders.

As new activities beyond 2014, the College of Europe would like to propose the following:

- High-Level Conference on EU-Russia relations;
- Specialized training seminars on EU Trade policy and WTO law and on Implementation of WTO membership obligations;
- Training seminars on EU competition law, EU technical standards and regulatory issues and on EU2020 strategy;
- Training seminars on EU Project Management, on EU-Russia Energy Relations;
- e-learning modules;
- Retraining seminars for ESI/MGIMO academic and technical staff, focusing on new training needs linked to modernization of pedagogical and teaching methods.

J. de Zwaan: supported the College initiatives and proposed to use its potential not only in academic and educational aspects but in research activities of the ESI.

T. Shashikhina: supported the initiative and expressed a hope that the ESI could evaluate from academic institution into a scientific and research center.

A. Gromyko: remarked that an actual trend is a matching of research and empiric activities. The Institute of Europe is taking an active part in this area: Institute's experts are engaged to the ESI lecturing, a Chair of European Integration has been set up at MGIMO.

D. Triantafillou: reminded that further evaluation of academic issues is closely linked with financial sustainability. At the same time an academic partnership of the ESI and the EU institutions has to be continued after the Grant Contract is over.

A.Torkunov: expressed his consent with the opinions and comments of previous speakers and proposed to set the issue of the ESI functioning after December 2014 in the Agenda of the next GB meeting.

The Board members:

- 1. Approved the work of the ESI administration within the reported period of time.**
- 2. Supported academic initiatives and staff proposals of the ESI administration.**
- 3. Confirmed the results of student's enrollment to the Master's program 2013-2014.**
- 4. Supported initiatives of the ESI in regards of project financing.**
- 5. Decided to set in the Agenda of the coming Governing Board meeting the question of EU and Russia partnership cooperation after the fulfillment of the Grant Contract.**

On the Fourth issue

The following members took part in the discussion: A.Torkunov, G.Hafner, J.de Zwaan, A.Gromyko, K.Zegbers

J. de Zwaan: informed that within the reporting period the ExeCom had three meetings. Recommended to the responsible members of the ExeCom to distribute the Minutes of the meetings in a proper time and to the GB members as well. Underlined the main issue of ExeCom meeting – further financing of the ESI – and pointed out on a draft of the ESI estimated spending – the document prepared by the ExeCom. Noticed that a draft is reflecting a scheme of categories financed exclusively by the budget of the Russian Federation (Master's programme, fees for professors and per diem for stages abroad in accordance to the Russian legal requirements) and separately – items estimated as co-financed. The draft reflects an estimated level of ESI expenditures in 2015 and allows to make prognosis.

Noticed that the ExeCom has not yet progressed in the issue of selection candidates for the ESI Board of Trustees. Proposed to continue working on that issue in cooperation with the European business Association.

Reminded about the initiative of organizing the meeting with EU member-states Embassies. Proposed to discuss with them the question of project financing and attraction of Ambassadors to the ESI Board of Trustees.

G.Hafner stressed the importance of papers and of a financial draft prepared by the ExeCom.

A.Gromyko: greeted Mr. V. Ušackas, Mrs Kumanaku. Remarked that the second wave of EU Centres establishing is going on in Russia and it would be logic to use their potential for further development of the ESI.

Highly appreciated the decision of the Russian Federation to preview further budget allocations for the ESI which will contribute to sustainability of Master's programme and the Institution as a whole. Supported the efforts of the ESI administration in rationalising (in comparison with the expenditure kept by the ESI previous Director, the ESI has actually managed to save 50% of the budget). Noted that such a rational and careful approach to expenditures made possible to think about the future of the Institute.

K.Segbers: noted out that it turns out quite difficult to make prognosis about expenditure without any guarantees of further financing. There are expectations about structural financing but they have not been yet guaranteed. That is of importance to preview some flexible options as project financing, for example, distance e-learning. Proposed to elaborate with the ESI this low-cost modules as a sort of profitable source for the ESI further functioning.

Commented on a draft of estimated expenditure saying that the ESI administration has to think on how to introduce some new innovative methods of education not to depend on financing (guaranteed budget financing is reduced up to 30% in EU now).

A.Torkunov: expressed his full support to K. Segbers comments: the ESI should think to target project financing. Appreciated the work done by the ExeCom.

The Board members:

- 1. Approve of the work of the ExeCom.**
- 2. Continue contacts with the Diplomatic missions of the EU Member-states interested to cooperate with the ESI.**

On the fifth issue:

The following members took part in the discussion: A.Torkunov, V. Ušackas, A. Khudaikulova, T.Shashikhina, J.de Zwaan, D.Triantafillou, S.Krasilnikov. D. Tarshys

T.Shahsikhina: informed that the ESI is functioning without any major disruption and this allows us to rationalize the budget funds (50% in comparison with the same period of 2012).

Expressed gratitude to the members of the ExeCom, to the EU delegation and Mr.N.Scaramuzzo in person for a friendly support and cooperation in drafting the budget of the ESI after 2014.

Informed that a Chief Accountant of MGIMO helped in drafting estimated expenditures of the ESI after 2014 taking into account the fact that some ESI activities could be covered from the Russian budget allocation in accordance with the current legislation (mostly academic programs) and other activities – on the basis of joint project financing.

Noted that about 120 students will continue the Master's programme as the second year of education in 2015. At the same time the ESI will enroll new students for Master's programme of 2014-2015, who will graduate in 2016. All funds have to be spent by the end of 2014. Otherwise

the conditions of the Grant Contract could be violated. Taking this into account the ESI is asking for approval from the EU Delegation of the fact that all funds received by the ESI from fee-paying students to consider as a profit of the ESI and not as a part of allocated budget financing.

Pointed out the importance of conserving the traditions and output of the ESI even after the end of the Grant Contract meaning the attraction of EU professors and experts, the level of professor's and administration's fees, summer stages etc.

V. Ušackas: remarked a big input and enthusiasm of the MGIMO and ESI administration into a smooth functioning of the Institute. Stressed out that the Contract has been extended till December 2014 which reflects the changes in the EU-Russia partnership. Informed that the EU is transiting from the phase of finance allocations to Russia to the phase of equal partnership in between countries. Remarked that a similar to the ESI project of establishing a Business school in Shanghai has been set out. On the first stage the project was fully financed by the EU and now the Business school is completely self-financed. This means that the EU is going to implement all over the world a new model of cooperation in these fields and this new approach will end up in rectifications of attitudes from both sides.

New models and schemes of financial cooperation between EU and third countries are under deliberation by the European Parliament, the EU budget has not yet approved. The EU Delegation in Moscow confirms its readiness to organize technical training that will allow for proper filling of new templates and forms in the framework of new instruments of partnership.

Noticed that the project financing of the ESI has not been yet explored at all at the EU Member-states level. Stressed out an important role of the Board of Trustees for financing the Institute. Remarked that the EU Delegation cannot take part in the Board but could give a hand in attracting candidates to it.

A. Torkunov: noticed that the concept and idea of the ESI differ from some similar projects set out in other countries. The ESI has been established not as a financial help to Russia from the EU, but as a unique project co-financed on a parity basis by the Russian and EU sides. Explained that Shanghai Business school is a profitable institution targeted for businessmen education and the ESI targets non-profit civil servants education in EU related matters. That is why it turns out impossible to re-track the ESI into fully profitable and self-financed institution as it would be impossible to conserve the present status-quo of the ESI under the condition of Russian allocations only. It is necessary to look for new forms of cooperation to preserve the ESI as it had been conceptualized. The important role of the EU Delegation in this matter would be difficult to overestimate.

Regretted that the creation of the ESI Board of Trustees is still pending. Supported the idea of attraction of the ESI graduates working now in business sectors into the Board.

The Board members:

- 1. Approve the decision to consider all funds received by the ESI from fee-paying activities as a profitable income of the ESI without deduction from the Grant Contract.**
- 2. Support the initiatives of the ESI on project financing.**

3. Ask the EU Delegation to assist the ESI administration in informing and helping to prepare application for participation in new instruments of EU-Russia partnership.

On the sixth issue:

The following members took part in the discussion: A.Torkunov, A. Khudaykulova, D.Triantafillou, S.Krasilnikov, D. Tarschys

A. Khudaykulova: informed about the work of the ExeCom in regards of the Board of Trustees. Noted the importance of elaborated draft of estimated expenditure of the ESI after 2014. Proposed to the ExeCom to set up a list of future events that could be financed ad hoc.

D.Triantafillou: stressed out the urgency in implementing all the decisions: creation of the Board of Trustees, defining the sources of project financing. Appealed to act without further delay.

S.Krasilnikov: remarked that 80% of sales turnover of Russia goes to the EU, that is why it is small-minded policy to economize on education of specialists who are performing it especially after the adhesion of Russia to the WTO.

Supported the ESI aspiration to be a part of two instruments of cooperation of EU-Russia: Partnership for modernisation and project financing in the framework of Bank for Development and Foreign Economic Affairs and EBRD. Confirmed that the Ministry of economic development is working in cooperation with the ESI on these two tracks.

D.Tarschys: shared the experience of Swedish Institute for European Policy Studies (SIEPS). For its educational activities targeting government employees, the Institute receives only a core allocation from its own ministry (the Prime Minister's Office), while the rest of the budget comes from the agencies and ministries whose employees take part in the various courses. Proposed to consider such a model for further financing.

A.Torkunov: developing the proposal of D.Tarshys noticed that a similar model exists in Russia but only for short-term courses. There is no example of Master's programme financed from private sectors. Underlined that the budget of the ESI can not be considered as a heavy burden for consolidated budget of the Russian Federation. But the importance and the value of the ESI for Russia and EU resides in a partnership principle of this institution, in maintenance of this project as a materialization of joint brainchild of EU and Russia.

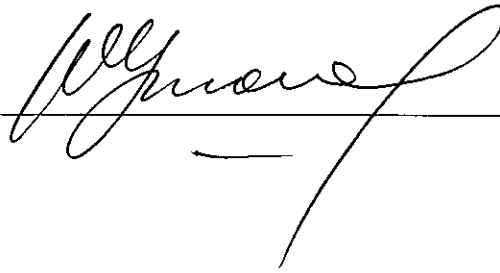
The Board members:

- 1. The Executive Committee is to continue its work in forming the ESI Board of Trustees.**

On the eight issue:

The Board members:

Decided to hold the next Governing Board meeting in Moscow. To submit to the Chairman for his approval alternative dates of the next GB meeting: April 04 or April 11, 2014. To make the final decision about the date taking into account the availability of the Chairman and members of the GB.

A handwritten signature in black ink, appearing to read 'Ushakov', is written over a horizontal line. The signature is fluid and cursive.

«APPROVED»

Y. Ushakov

**Chairman of the Governing Board
of the European Studies Institute**