AGREEMENT ON COOPERATION

BETWEEN

THE NATIONAL NATURAL SCIENCE FOUNDATION OF CHINA

DEUTSCHE FORSCHUNGSGEMEINSCHAFT

Whereas, the National Natural Science Foundation Of China NSFC (hereinafter referred to as "NSFC") with its address at 83, Shuangqing Road, Haidian District, Beijing, 100085, P.R. of China

Whereas, Deutsche Forschungsgemeinschaft (hereinafter referred to as "DFG"), with its address at Kennedyallee 40, 53170 Bonn, Germany

Whereas, the NSFC and the DFG have concluded an agreement on scientific cooperation.

Whereas, the NSFC and the DFG now wish to strengthen and further develop their cooperation.

Therefore, the NSFC and the DFG (hereinafter collectively referred to as "the Parties") hereby agree as follows:

I Purpose of this Agreement

The purpose of this Agreement is to strengthen cooperation between the Parties and to enhance the funding of joint research projects, the exchange of researchers, the arrangement of joint seminars and the exchange of program directors. The Parties shall, within their spheres of competence, promote and support collaboration between Chinese and German researchers and scientific institutions in all fields of research.

II Regular Discussions

The Parties aim to exchange information in the support and evaluation of research. The Parties will meet and discuss regularly on different forms of cooperation, as well as the associated financial details.

In addition to regular discussions, each party will also inform the other of the relevant funding outcomes, of researchers and emerging areas of interest, for research collaboration between China and Germany.

III Forms of Cooperation

The Parties wish to promote and further develop their cooperation and will consider possible initiatives to do this.

- a) Joint Research Projects (including individual projects and coordinated programs)
 - (1) Each application shall include a joint research plan from both Chinese and German researchers or research groups.

- (2) The applications are evaluated jointly by the Parties. The Parties agree separately on the details of the evaluation process.
- (3) The Parties make their funding decisions independently, but on the basis of scientific evaluation and consensus discussions.
- (4) The duration of a joint research project will normally be 3-4 years.
- (5) The Parties bear the costs of the researchers from their own country. In the cases of mutual visits, the sending party will pay the international travel costs, the receiving party will pay the local subsistence, including accommodation, meals and domestic travel costs.

b) Exchange of Researchers

- (1) The sending Party nominates the candidates for the visits and proposes the candidates to the receiving Party for its approval. The receiving Party notifies the sending Party whether or not the proposed candidates are acceptable.
- (2) The sending Party covers the international travel costs and the receiving Party covers the local subsistence, including accommodation, meals and domestic travel costs in the receiving country.

c) Exchange of Program Directors and Program Officers

- (1) Each Party wishes to send its program directors and program officers for a short visit to the other Party in order to promote the bilateral cooperation.
- (2) The sending Party nominates the candidates for the visits and proposes the candidates to the receiving Party for its approval. The receiving Party notifies the sending Party whether or not the proposed candidates are acceptable.
- (3) The sending Party covers the international travel costs and the receiving Party covers the local subsistence, including accommodation, meals and domestic travel costs in the receiving country.
- (4) The duration of the visit will not exceed 2 weeks.

d) Joint Seminars

- (1) Researchers may propose joint seminars and other scientific meetings to the Parties.
- (2) The Parties support the arranging of joint scientific seminars on specific subjects with the participation of researchers from both China and Germany.
- (3) The duration of the seminar shall not normally exceed one week.
- (4) The sending Party covers international travel costs. The hosting Party covers the costs of accommodation, meals and domestic travel of participants as well as the related cost for holding the seminar.

The forms of cooperation mentioned above in this clause III are only examples of possible future cooperation.

One already existing example is the cooperation within the framework of the Sino-German Center.

If the Parties agree on other forms of cooperation or on different conditions to cooperate than mentioned above, this clause III shall not be binding to the Parties.

IV Intellectual Property Rights

The Parties encourage researchers and their institutions to enter into agreements to ensure the effective protection and correct distribution of intellectual properties resulting from research funded under this Agreement.

V Miscellaneous

The term of this Agreement shall be until further notice, unless either Party terminates it by giving six months written notice.

This Agreement is drawn up in English and all documents and notices and meetings pertaining to this Agreement shall be in English.

Neither Party shall, without the prior written consent of the other Party, assign or otherwise transfer partially or totally any of its rights and obligations under this Agreement.

This Agreement is subject to the availability of funds in the budget of the Parties and the applicable laws and regulations of their respective countries.

All funding decisions under this Agreement shall be made independently and according to the Parties' respective rules, regulations and practices.

At all times during the term of this Agreement, the Parties agree to cooperate with one another and to use their reasonable best efforts to resolve by mutual agreement any dispute or difference between them and all other difficulties that may arise from time to time concerning their respective obligations under this Agreement.

This Agreement may only be amended by a document signed by both Parties which is expressed as being an amendment to this Agreement.

Executed in Bonn on 19 July, 2004

Professor Chen Yiyu President National Natural Science Foundation Of China Professor Ernst-Ludwig Winnacker President Deutsche Forschungsgemeinschaft