

General Conditions for Agreements on the Provision of Funds for Projects in Foreign Institutions

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1. Utilization of funds provided under the agreement

- 1.1 Funds provided under the agreement may only be used for projects agreed upon between the foreign institution and the German agency in the agreement or in a written amendment thereto.
- 1.2 The financial plan shall be binding in its total.
- 1.3 The financial plan shall provide for those actual expenses incurred by the foreign institution which have been authorized by the parties to the agreement.
- 1.4 Personnel costs shall be in accordance with the collective agreement in force at the foreign institution.
- 1.5 If requested, the foreign institution shall provide the German agency with a copy of the relevant clauses of such collective agreements.
- 1.6 The costs of equipment and material to be purchased for the project shall be substantiated to the extent possible by manufacturers' price lists or similar documentation.
- 1.7 The financial plan shall ensure cost-efficient utilization of the funds.

2. Payment schedule

- 2.1 Financial commitments to the foreign institution shall be made on a one-year basis. For projects extending beyond one year, the commitment shall be renewed annually.
- 2.2 The German agency shall transfer to the foreign institution on a yearly basis the funds it is to provide in accordance with the financial plan.
- 2.3 The foreign institution shall inform the German agency should the fund requirement not conform to the financial plan or the payment schedule; the parties shall then use their best efforts to modify the payment schedule.

3. Ownership of equipment purchased with funds provided under the agreement

- 3.1 The foreign institution shall acquire title to all equipment purchased or manufactured with funds provided under the agreement.
- 3.2 An inventory of all items of property whose purchase or manufacture cost exceeds €2,500 shall be included in the interim and final reports referred to in clauses 4.1 and 4.2 below.

4. Reports

4.1 Annual interim reports

For each project extending beyond one year, the foreign institution shall submit a brief interim report on the execution and status of the project to the German agency within two months of the end of the calendar year. Each report shall include the following:

- the major scientific and technical results achieved so far,
- the actual status of the project as compared with the approved project implementation and financial

plan,

- explanations for any deviations from or modifications to the project targets which have occurred or are foreseen and the reasons therefor,
- a brief survey of the funds used to date.

4.2 Final scientific and technical report

Within six months of the completion of each project, the foreign institution shall submit to the German agency a final scientific and technical report detailing results and their significance, including the following:

- a brief overview of the research conducted and the methods used,
- a detailed description of the scientific and technical results obtained,
- the possibility of applying the results and experience derived,
- a list of the publications, preprints or planned publications based on the project,
- a list of the inventions made and patent rights obtained, applied for or planned under the project as well as details of the current and planned exploitation of said inventions and rights.

4.3 Final financial report

4.3.1 The foreign institution shall submit a final financial report to the German agency within six months of the completion of each project or at such other dates agreed upon between the parties. The final financial report shall be appended to the final scientific and technical report referred to in clause 4.2 above.

4.3.2 The final financial report shall detail the utilization of the funds, classified according to the items specified in the financial plan. It shall include invoices, records or other documentation.

4.3.3 Should the foreign institution have its own auditing office, the final financial report shall be certified by the same.

4.3.4 The German agency is allowed the right to examine the project-related records for the purpose of verifying fund utilization.

4.3.5 The foreign institution must allow verification of fund utilization by the German Federal Audit Office. Should the Federal Audit Office have concluded an audit agreement with the foreign Comptroller General, the foreign agency shall be obliged to undergo an audit conducted by the latter.

4.4 Other reporting requirements

4.4.1 The foreign institution shall inform the German agency if

- it becomes apparent that it will be unable to attain the targets specified in the project plan,
- other aspects of the project plan require modification,
- the funds provided for the project cannot be utilized in accordance with the financial plan.

5. Right of parties to publish information

The parties have the right to publish the following information regarding each project:

- title and topic,
- names of researchers executing the project and the institution to which they belong,
- duration,
- amount of funds provided by the parties and extent of participation by the institution.

6. Return of funds and payment of interest to the German agency

- 6.1 Funds paid by the German agency which have not been expended in accordance with the project plan and the financial plan shall be returned.
- 6.2 In cases in which funds were misappropriated, the foreign institution shall be obliged to pay interest at a rate of six per cent for the year. The claim to such interest payment shall arise from the time when the misappropriation of the funds takes place.
- 6.3 In cases in which funds were not expended within the specified period after receipt, the foreign institution shall likewise be obliged to pay interest in accordance with clause 6.2 above until such time as the funds are used appropriately.

7. Settlement of disputes

- 7.1 Any dispute arising from the interpretation or execution of the agreement and which cannot be settled by mutual agreement shall be submitted to an arbitration tribunal at the request of either party. The decision of the arbitration tribunal shall be binding upon both parties.
- 7.2 The arbitration tribunal shall consist of three arbitrators. Each party shall nominate one arbitrator. The two arbitrators so nominated or, in case they cannot come to an agreement, the parties, shall nominate by mutual agreement a third arbitrator having the expertise and impartiality required to decide the dispute. The latter arbitrator shall preside over the arbitration tribunal.
- 7.3 The arbitration proceedings and the payment of costs shall be governed by the latest version of the Rules of Conciliation and Arbitration of the International Chamber of Commerce.
- 7.4 The place of arbitration and the governing principles shall be agreed by the parties prior to the commencement of the arbitration proceedings.

8. Termination

- 8.1 Either party may terminate the agreement, in whole or in part, at the end of each calendar year with three months' prior written notice to the other party.
- 8.2 Upon receipt of the notice of termination, the parties shall make their best efforts to avoid further expenses.