

July 4, 1986

Agreement
between
the Federal Minister for Research and Technology
of the Federal Republic of Germany
and
the Minister of Science and Development
of the State of Israel
on
the Establishment of a Foundation for
Scientific Research and Development

The Federal Minister for Research and Technology
and
the Minister of Science and Development
- hereinafter referred to as the "Contracting Parties" -

Referring to the close ties in scientific and technological cooperation which have developed in the past between both countries.

Convinced that mutual cooperation in scientific research will strengthen the bonds of friendship and understanding between their peoples and advance the state of scientific research and development to the benefit of both countries,

Convinced of the desirability of expanding binational mechanisms to continue and intensify cooperation between the two countries in scientific research and development,

Have agreed as follows:

Article 1

The Contracting Parties shall jointly establish the

"German-Israeli Foundation for Scientific
Research and Development".

Article 2

The objective of the Foundation shall be to promote and fund civil research and development projects of interest to both countries in basic and applied research. Particular attention shall be paid to topics specific to the geographic location of Israel, such as work in biomedical, plant and water research. The projects shall be carried out by German and Israeli partners. Projects sponsored by the Foundation in Israel shall be conducted only within the geographic areas under the jurisdiction of the State of Israel prior to June 5, 1967.

Article 3

Project results shall be equally available and may subsequently be used, in accordance with guidelines established by the Foundation, in Israel and the Federal Republic of Germany; if both Contracting Parties agree, they may be made available to or in a third country.

Article 4

The Foundation shall be established as a legal entity in Israel. It may take all measures required for the fulfilment of its tasks.

Article 5

- (a) The Board of Governors shall be the governing body of the Foundation and shall consist of eight members, half of them to be designated by each Contracting Party, at least one representative of each country coming from the scientific community. The Contracting Parties may agree to increase the number of members of the Board by adding one member for each country.
- (b) The chairmanship of the Board shall alternate every two years between members designated by each Contracting Party, the Deputy Chairman being a member designated by the other Contracting Party.
- (c) The Board of Governors shall meet at least once a year.
- (d) The Board of Governors shall decide, inter alia, on:
- the budget of the Foundation as well as the annual accounts;
 - the appointment and dismissal of the Director and the conditions of his employment;
 - priorities for the promotion of projects to be reviewed annually;
 - guidelines for the submission of project proposals and for the awarding of promotion grants and their terms and conditions;
 - guidelines on the utilization of project results in accordance with article 3.
- (e) Decisions of the Board of Governors shall require the consent of two thirds of its members.
- (f) The Board of Governors shall adopt its rules of procedure.

Article 6

The Chairman of the Board or, if he is not available, the Deputy Chairman, shall represent the Foundation unless, and to the extent, the Director is entrusted with this task by the Board. In urgent cases the Chairman may, in agreement with his deputy, take decisions and shall notify the Board thereof without delay.

Article 7

The Director shall be responsible for:

- the preparation of the draft budget and the annual accounts;
- the employment of the Foundation personnel in accordance with the staffing schedule and conditions of employment approved by the Board;
- the submission to the Board of Governors of project proposals together with recommendations and expert opinions;
- the implementation of the decisions of the Board, in particular concerning the promotion of projects;
- the representation of the Foundation within the framework approved by the Board;
- other tasks assigned to him by the Board.

Article 8

The Contracting Parties shall, within four years, each contribute DM 75 million to the Foundation's capital fund. This sum shall be invested in convertible currencies of high stability having a comparatively high yield, special consideration being given to currencies included in the Special Drawing Right. The Foundation shall use only the interest revenue for the implementation of its tasks.

Article 9

The Government of Israel shall accord to the Foundation and its non-Israeli personnel exemption from income and property tax as well as from customs, duties and other levies on the importation of objects intended for the use of the Foundation or its staff. The Government of Israel shall exempt the Foundation from restrictions on foreign currency exchange.

Article 10

The State Comptroller of Israel shall review the use of funds in accordance with regulations in force in Israel. The results of auditing of the Foundation shall be transmitted to the Bundesrechnungshof of the Federal Republic of Germany.

Article 11

The dissolution of the Foundation requires the agreement of both Contracting Parties. In case of dissolution both Contracting Parties shall consult with each other on the utilization of the funds available at that time. Each contracting party shall be entitled to the share of the Foundation capital funds it has contributed up to the date of dissolution as well as, on a pro rata basis, of the revenues not yet committed.

Article 12

This Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the State of Israel within three months of the date of entry into force of this Agreement.

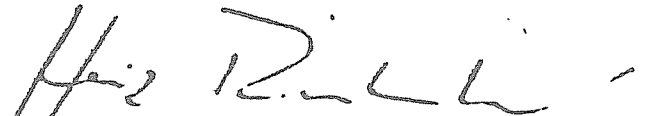
Article 13

This Agreement shall enter into force on the date of signature and may be amended with the consent of both Contracting Parties.

Done at Bonn on 4 th July 1986 in duplicate in the German, Hebrew and English languages, all three texts being authentic. In case of divergent interpretations of the German and Hebrew texts, the English text shall prevail.



The Minister of
Science and Development
of the State of Israel



The Federal Minister for
Research and Technology
of the Federal Republic
of Germany