MEMORANDUM OF UNDERSTANDING BETWEEN

THE MINISTRY OF WATER RESOURCES OF THE PEOPLE'S REPUBLIC OF CHINA AND THE ENVIRONMENTAL PROTECTION AGENCY OF THE UNITED STATES OF AMERICA IN THE FIELD OF WATER RESOURCES MANAGEMENT

The Ministry of Water Resources of the People's Republic of China (MWR) and the Environmental Protection Agency of the United States of America (EPA), hereafter referred to as the "Participants",

<u>In accordance with and subject to</u> the Agreement Between the Government of the People's Republic of China and the Government of the United States of America on Cooperation in Science and Technology, dated January 31, 1979, as extended and amended (the "S&T Agreement"),

Noting the Memorandum of Understanding (MOU) signed on December 8, 2003 between the United States Environmental Protection Agency (U.S. EPA) and the State Environmental Protection Administration of the People's Republic of China (SEPA) and the MOU signed on October 18, 2006 between the U.S. EPA and the Ministry of Science and Technology of the People's Republic of China (MOST),

<u>Desiring</u> to sign a new MOU to provide a cooperative framework between the two Participants in the fields of water resources management and water environmental protection, and other subjects of mutual interest,

Have decided as follows:

Paragraph I. Objective

The objective of this MOU is to expand the China - United States scientific and technical cooperation in the field of water resources and develop a long-term cooperative relationship on the basis of equality, reciprocity and mutual benefit.

Paragraph II. Fields of Cooperation

Cooperation under this MOU may take place in the following fields:

- 1. Man-made wetlands
- 2. Water resources monitoring
- 3. Water related policies, laws, regulations and standards
- 4. Water resources protection, as well as wastewater reuse
- 5. Water source protection
- 6. Watershed management 7. Water safety plans
- 8. Other fields of mutual interest to the Participants

Paragraph III. Form of Cooperation

Cooperation under this MOU may take the following forms:

- 1. Joint organization of symposia, seminars, workshops and technical training in fields of mutual interest:
- 2. Exchange of experts to provide technical assistance and consultation in relevant fields;
- 3. Joint scientific publications;
- 4. Joint projects in the field of water environment management;
- 5. Other forms of cooperation determined by the Participants after negotiation.

Paragraph IV. Confidentiality and Laws

The Participants intend that no information or equipment requiring protection in the interest of national defense or foreign relations and classified in accordance with its applicable national laws and regulations be provided under this MOU.

The Participants intend that all activities undertaken pursuant to this MOU be subject to the applicable laws of the Participants, as well as the availability of appropriated funds, personnel, and other resources of each Participant.

Paragraph V. Implementation Authorities

The implementing authorities responsible for the coordination and implementation of this MOU are:

Department of International Cooperation, Science and Technology, Ministry of Water Resources of the People's Republic of China and the Office of Water, Environmental Protection Agency of the United States of America

Paragraph VI. Funding for Cooperative Projects

Each Participant is to finance the costs of international travel, accommodation, food and salaries incurred by its own visiting delegations. Technical experts invited by one Participant to provide technical assistance to the other Participant are to be financed by the inviting Participant, unless third party finance could be identified.

Funding for commercial and technical cooperative projects is to be decided through mutual consultation according to the specific nature of projects.

Paragraph VII. D ispute Settlement

The Participants intend that any dispute arising between the Participants from the interpretation and implementation of this MOU be settled through consultation or negotiation between the two Participants.

Paragraph VIII. A mendment

Either Participant may request in writing, through diplomatic channels, revision or amendment of this MOU. Any revision or amendment decided upon by the two Participants is to constitute part of this MOU.

Paragraph IX. Validity and Termination

Activities under this MOU commence upon signature and continue for five years. Thereafter, this MOU is automatically valid for another period of five years, unless either Participant indicates its willingness in writing to terminate the MOU at least six months prior to expiration of its initial period of validity.

Such termination is without prejudice to the completion of on-going projects.

Signed at Beijing China, in duplicate, this 27TH day of March, 2007, in the Chinese and English languages.

FOR THE MINISTRY OF WATER RESOURCES OF THE PEOPLE'S REPUBLIC OF CHINA:

FOR THE ENVIRONMENTAL PROTECTION AGENCY OF THE UNITED STATES OF AMERICA:

BK Kubles