

**Translation**

The following document is the 2022 budget for the National Natural Science Foundation of China, a government-run body that oversees and audits Chinese scientific research funds, principally those that support basic research.

**Title**

National Natural Science Foundation of China 2022 Annual Budget  
国家自然科学基金委员会2022年度部门预算

**Author**

National Natural Science Foundation of China (NSFC; 国家自然科学基金委员会)

**Source**

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U.S. \$1 ≈ 6.7 Chinese Yuan Renminbi (RMB), as of June 14, 2022.

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## National Natural Science Foundation of China

### 2022 Annual Budget

March 2022

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## **Part 1: National Natural Science Foundation of China (NSFC) Overview**

### **I. Primary Responsibilities**

(i) In accordance with state S&T development directives, policies, and plans and in accordance with the mode of operation used by natural science funding which is compatible with the socialist market economic structure, to use funds from the central government fiscal budget to subsidize basic research and exploration of the scientific cutting edge, to discover and train S&T talents, to give full play to the guiding and coordinating role of natural science funds, and to promote S&T progress and economic and social development.

(ii) To be responsible for the management of state natural science funds. To formulate and publish natural science funding project application guidelines, accept project applications, organize expert reviews, select the best funding projects, supervise the implementation of funded projects, and strive to create a research environment conducive to innovation.

(iii) To coordinate with the Ministry of Science and Technology (MOST) to formulate national basic research guidelines, policies, and development plans. When tasked, to provide consultation and undertake related tasks on major issues in advanced S&T and applied research.

(iv) To support the work of other domestic natural science funds.

(v) To establish contacts and carry out international cooperation with foreign government science and technology management departments, science foundations, and relevant academic organizations.

(vi) To be responsible for the management, supervision, and business guidance of directly affiliated institutions.

(vii) To carry out other work entrusted or assigned by the State Council.

### **II. Configuration of Departmental Institutions**

NSFC has 15 internal institutions at the base level (本级内设机构), including: The Office (Research Integrity Construction Office), Planning and Policy Bureau, Finance Bureau, International Cooperation Bureau, Personnel Bureau, Department of Mathematical and Physical Sciences, Department of Chemical Sciences, Department of Life Sciences, Department of Earth Science, Department of Engineering and Materials Science, Department of Information Science, Department of Management Science, Department of Medical Science, Department of Interdisciplinary Science, and Party Committee for Internal Institutions (机关党委).

The NSFC departmental budget includes NSFC (at the base level) and three directly subordinate self-funded and self-supporting public institutions.<sup>1</sup>

The three directly affiliated institutions include: the NSFC Internal Service Center, the NSFC Science Communication and Achievement Conversion Center (科学传播与成果转化中心), and the Sino-German Center for Science Promotion (中德科学基金研究交流中心).

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<sup>1</sup> Translator's note: "Public institutions" (事业单位) are organizations created and led by PRC government departments that provide social services. Unlike state-owned enterprises (SOEs), public institutions do not create material products and do not generate income. Public institutions are not considered government agencies, and their employees are not civil servants. Most public institutions are fully or partially government-funded, but some fully privately funded (but still government-led) public institutions exist. Public institutions typically provide services in areas such as education, science and technology, culture, health, and sanitation.

## Part 2: 2022 NSFC Budget Tables

Departmental Disclosures Table 1

### Summary of Departmental Income and Expenditures

Units: Chinese Yuan Renminbi (RMB) 10,000

Income		Expenditures	
Item	Budgeted amount	Item	Budgeted amount
1. General public budget allocation	3,621,048.48	1. S&T expenditures	4,268,175.07
2. Government fiscal budget allocations		2. Social security and employment expenditures	937.42
3. State-owned capital operating budget appropriation income		3. Housing expenditures	833.83
4. Business income	16,134.00		
5. Public institution operating income			
6. Other income	338,307.00		
Total current year income	3,975,489.48	Total current year expenditures	4,269,946.32
Use of government fiscal allocation balance		Balance carried over to following year	1,655.40
Balance carried forward from previous year	296,112.24		
<b>Total income</b>	<b>4,271,601.72</b>	<b>Total expenditures</b>	<b>4,271,601.72</b>

## Summary of Departmental Income

Units: RMB 10,000

Item		Total	Balance carried forward from previous year	General public budget allocations	Government fiscal budget allocations	State-owned capital operating budget appropriation income	Business income		Public institution operating income	Subsidy income from higher levels	Income from payments by lower-level units	Other income	Use of non-fiscal appropriation balance
Item code	Item name						Amount	Of which: Educational charges					
<b>206</b>	<b>S&amp;T expenditures</b>	<b>4,269,830.47</b>	<b>295,862.00</b>	<b>3,619,831.28</b>			<b>15,830.19</b>					<b>338,307.00</b>	
20602	Basic research	4,269,830.47	295,862.00	3,619,831.28			15,830.19					338,307.00	
2060203	Natural science funds	3,681,340.47	27,372.00	3,299,831.28			15,830.19					338,307.00	
2060208	Construction of S&T talent teams	320,000.00		320,000.00									
2060299	Other basic research expenditures	268,490.00	268,490.00										
<b>208</b>	<b>Social security and employment expenditures</b>	<b>937.42</b>	<b>14.20</b>	<b>763.20</b>			<b>160.02</b>						
20805	Pension expenditures of administrative organs and public institutions	937.42	14.20	763.20			160.02						
2080505	Expenditures on basic old age insurance contributions of government offices and public institutions	629.95	9.47	508.80			111.68						
2080506	Expenditures on occupational annuity contributions of government offices and public institutions	307.47	4.73	254.40			48.34						
<b>221</b>	<b>Housing assurance expenditures</b>	<b>833.83</b>	<b>236.04</b>	<b>454.00</b>			<b>143.79</b>						
22102	Housing reform expenditures	833.83	236.04	454.00			143.79						
2210201	Housing provident fund	547.14	163.35	250.00			133.79						
2210202	Rent subsidies	58.38	0.38	55.00			3.00						
2210203	Home purchase subsidies	228.31	72.31	149.00			7.00						
	<b>Total</b>	<b>4,271,601.72</b>	<b>296,112.24</b>	<b>3,621,048.48</b>			<b>16,134.00</b>					<b>338,307.00</b>	

## Summary of Departmental Expenditures

Units: RMB 10,000

Item code	Item name	Total	Basic expenditures	Project expenditures	Payments to higher authorities	Public institution operating expenses	Assistance paid to subsidiary units
<b>206</b>	<b>S&amp;T expenditures</b>	<b>4,268,175.07</b>	<b>13,943.89</b>	<b>4,254,231.18</b>			
20602	Basic research	4,268,175.07	13,943.89	4,254,231.18			
2060203	Natural science funds	3,679,685.07	13,943.89	3,665,741.18			
2060208	Construction of S&T talent teams	320,000.00		320,000.00			
2060299	Other basic research expenditures	268,490.00		268,490.00			
<b>208</b>	<b>Social security and employment expenditures</b>	<b>937.42</b>	<b>937.42</b>				
20805	Pension expenditures of administrative organs and public institutions	937.42	937.42				
2080505	Expenditures on basic old age insurance contributions of government offices and public institutions	629.95	629.95				
2080506	Expenditures on occupational annuity contributions of government offices and public institutions	307.47	307.47				
<b>221</b>	<b>Housing assurance expenditures</b>	<b>833.83</b>	<b>833.83</b>				
22102	Housing reform expenditures	833.83	833.83				
2210201	Housing provident fund	547.14	547.14				
2210202	Rent subsidies	58.38	58.38				
2210203	Home purchase subsidies	228.31	228.31				
	<b>Total</b>	<b>4,269,946.32</b>	<b>15,715.14</b>	<b>4,254,231.18</b>			

**Summary of Government Fiscal Allocation Income and Expenditures**

Units: RMB 10,000

Income		Expenditures	
Item	Budgeted amount	Item	Budgeted amount
1. Current year income	3,621,048.48	1. Current year expenditures	<b>3,915,570.72</b>
(a) General public budget allocations	3,621,048.48	(a) S&T expenditures	3,914,103.28
(b) Government fiscal budget allocations		(b) Social security and employment expenditures	777.40
(c) State-owned capital operating budget allocations		(c) Housing expenditures	690.04
2. Balance carried forward from previous year	294,522.24		
(a) General public budget allocations	294,522.24		
(b) Government fiscal budget allocations			
(c) State-owned capital operating budget allocations			
		2. Balance carried over to following year	
<b>Total income</b>	<b>3,915,570.72</b>	<b>Total expenditures</b>	<b>3,915,570.72</b>



## General Public Budget Expenditures

Units: RMB 10,000

Functional categorization item		2021 actual amount		2022 budgeted amount				2022 to 2021 YoY Comparison		2022 budget to 2021 actual (less central infrastructure investments)	
Item code	Item name	Actual amount	Actual amount after deducting National Development and Reform Commission (NDRC) infrastructure	Initial Annual Budget			Budgeted amount after deducting central infrastructure investments	Increase amount	Increase %	Increase amount	Increase %
				Subtotal	Basic expenditures	Project expenditures					
<b>206</b>	<b>S&amp;T expenditures</b>	<b>3,334,704.18</b>	<b>3,334,704.18</b>	<b>3,619,831.28</b>	<b>7,292.10</b>	<b>3,612,539.18</b>	<b>3,619,831.28</b>	<b>285,127.10</b>	<b>8.6%</b>	<b>285,127.10</b>	<b>8.6%</b>
20602	Basic research	3,334,704.18	3,334,704.18	3,619,831.28	7,292.10	3,612,539.18	3,619,831.28	285,127.10	8.6%	285,127.10	8.6%
2060203	Natural science funds	3,089,704.18	3,089,704.18	3,299,831.28	7,292.10	3,292,539.18	3,299,831.28	210,127.10	6.8%	210,127.10	6.8%
2060208	Construction of S&T talent teams			320,000.00		320,000.00	320,000.00	320,000.00		320,000.00	
2060299	Other basic research expenditures	245,000.00	245,000.00					-245,000.00	-100.0%	-245,000.00	-100.0%
<b>208</b>	<b>Social security and employment expenditures</b>	<b>727.20</b>	<b>727.20</b>	<b>763.20</b>	<b>763.20</b>		<b>763.20</b>	<b>36.00</b>	<b>5.0%</b>	<b>36.00</b>	<b>5.0%</b>
20805	Pension expenditures of administrative organs and public institutions	727.20	727.20	763.20	763.20		763.20	36.00	5.0%	36.00	5.0%
2080505	Expenditures on basic old age insurance contributions of government offices and public institutions	484.80	484.80	508.80	508.80		508.80	24.00	5.0%	24.00	5.0%
2080506	Expenditures on occupational annuity contributions of government offices and public institutions	242.40	242.40	254.40	254.40		254.40	12.00	5.0%	12.00	5.0%
<b>221</b>	<b>Housing assurance expenditures</b>	<b>333.00</b>	<b>333.00</b>	<b>454.00</b>	<b>454.00</b>		<b>454.00</b>	<b>121.00</b>	<b>36.3%</b>	<b>121.00</b>	<b>36.3%</b>
22102	Housing reform expenditures	333.00	333.00	454.00	454.00		454.00	121.00	36.3%	121.00	36.3%
2210201	Housing provident fund	150.00	150.00	250.00	250.00		250.00	100.00	66.7%	100.00	66.7%
2210202	Rent subsidies	43.00	43.00	55.00	55.00		55.00	12.00	27.9%	12.00	27.9%
2210203	Home purchase subsidies	140.00	140.00	149.00	149.00		149.00	9.00	6.4%	9.00	6.4%
	<b>Total</b>	<b>3,335,764.38</b>	<b>3,335,764.38</b>	<b>3,621,048.48</b>	<b>8,509.30</b>	<b>3,612,539.18</b>	<b>3,621,048.48</b>	<b>285,284.10</b>	<b>8.6%</b>	<b>285,284.10</b>	<b>8.6%</b>

## General Public Budget Basic Expenditures

Units: RMB 10,000

Departmental budget expenditures – economic categorization items		2022 Basic expenditures		
Item code	Item name	Total	Personnel expenses	Public expenses
<b>301</b>	<b>Salary and benefits expenditures</b>	<b>5,135.10</b>	<b>5,135.10</b>	
30101	Basic salaries	1,961.30	1,961.30	
30102	Subsidies and allowances	486.02	486.02	
30103	Bonuses	16.00	16.00	
30107	Performance pay	1,320.00	1,320.00	
30108	Expenditures on basic old age insurance contributions of government offices and public institutions	508.80	508.80	
30109	Occupational annuity contributions	254.40	254.40	
30112	Other social security contributions	118.58	118.58	
30113	Housing provident fund	250.00	250.00	
30114	Medical expenses	220.00	220.00	
<b>302</b>	<b>Goods and services expenditures</b>	<b>2,665.00</b>		<b>2,665.00</b>
30201	Office expenses	80.00		80.00
30202	Printing expenses	2.00		2.00
30203	Consulting fees	6.00		6.00
30204	Service charges	1.00		1.00
30205	Water fees	25.00		25.00
30206	Electricity fees	210.00		210.00
30207	Postage and cable fees	43.00		43.00
30208	Heating expenses	90.00		90.00
30209	Property management fees	366.00		366.00
30211	Travel expenses	43.00		43.00
30213	Repair and maintenance costs	100.00		100.00
30214	Rental fees	31.10		31.10
30215	Conference fees	15.00		15.00
30216	Training fees	85.00		85.00
30217	Official reception expenses	1.83		1.83
30218	Special-use material costs	27.50		27.50
30226	Labor costs	31.00		31.00
30227	Contracted business fees	574.00		574.00
30228	Trade union funds	80.00		80.00
30229	Welfare expenses	5.23		5.23
30231	Government vehicle operation and maintenance costs	61.83		61.83

Departmental budget expenditures – economic categorization items		2022 Basic expenditures		
Item code	Item name	Total	Personnel expenses	Public expenses
30239	Other transportation expenses	280.00		280.00
30299	Other goods and services expenditures	506.51		506.51
<b>303</b>	<b>Assistance for individuals and families</b>	<b>709.20</b>	<b>709.20</b>	
30301	Pensions (离休费)	49.46	49.46	
30302	Pensions (退休费)	215.20	215.20	
30303	Retirement (decommissioning) costs	0.43	0.43	
30304	Survivors' benefits	100.00	100.00	
30305	Subsistence allowances	6.24	6.24	
30307	Medical expense assistance	334.45	334.45	
30309	Awards	1.70	1.70	
30399	Other assistance for individuals and families	1.72	1.72	
	<b>Total</b>	<b>8,509.30</b>	<b>5,844.30</b>	<b>2,665.00</b>

**Government Fiscal Budget Expenditures**

Units: RMB 10,000

Item code	Item name	2022 Government Fiscal Budget Expenditures		
		Total	Basic expenditures	Project expenditures
	Total			

Note: NSFC did not use expenditure budgets arranged by government fund budget fiscal allocations, so there is no data in this table.

**State-Owned Capital Operating Budget Expenditure Table**

Units: RMB 10,000

Item code	Item name	2022 State-Owned Capital Operating Budget Expenditures		
		Subtotal	Basic expenditures	Project expenditures
	Total			

Note: NSFC did not use expenditure budgets arranged by state-owned capital operating budget allocations in 2022, so there is no data in this table.

**Fiscal Government Allocations Budget Expenditures for "Three Public" Expenses<sup>2</sup>**

Units: RMB 10,000

2021 budgeted amount						2022 budgeted amount					
Total	Expenses for official travel abroad	Government vehicle acquisition and operation costs			Official reception expenses	Total	Expenses for official travel abroad	Government vehicle acquisition and operation costs			Official reception expenses
		Subtotal	Government vehicle acquisition	Government vehicle operation costs				Subtotal	Government vehicle acquisition	Government vehicle operation costs	
180.24	105.47	61.83	0.00	61.83	12.94	180.24	105.47	61.83	0.00	61.83	12.94

<sup>2</sup> Translator's note: The "three public" expenses ( “三公” 经费) refer to spending on (1) foreign travel, (2) cars and chauffeurs, and (3) official receptions. PRC central government and Party Central Committee agencies have been required to publicly disclose their annual spending on these categories—the most visible examples of corruption and waste of public funds, when abused—since 2011.

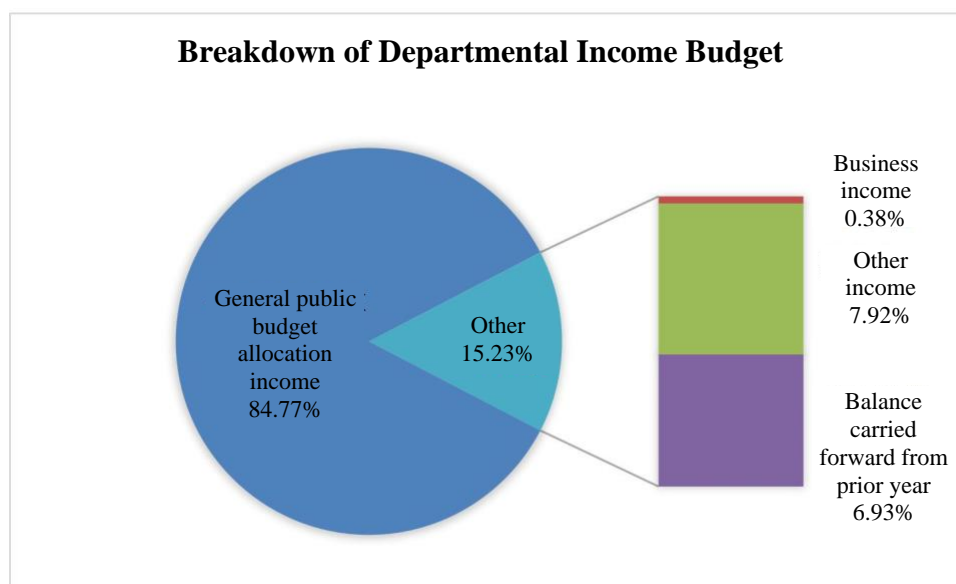
## Part 3: Detailed Summary of the NSFC 2022 Departmental Budget

### I. Summary of 2022 Income and Expenditure Budgets

Following comprehensive budgeting principles, all income and expenditures of NSFC are managed in the departmental budget. Income includes: General public budget allocations, other income, and business funds (事业收入) carried forward from the prior year. Expenditures include: S&T expenditures, social security and employment expenditures, and housing assurance expenditures. In 2022, the total income and expenditure budget is Chinese yuan Renminbi (RMB) 42,716,017,200.

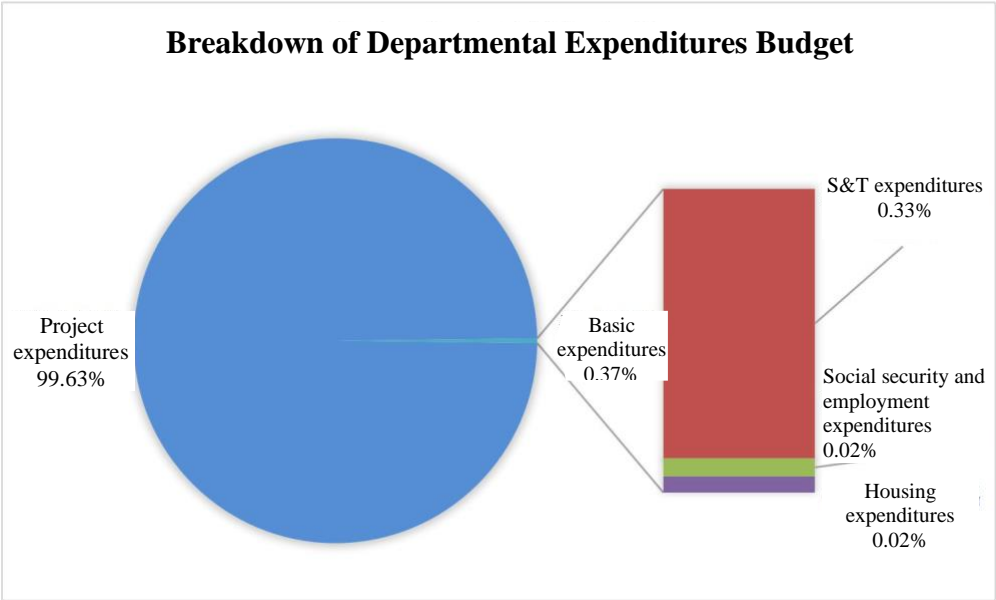
### II. Summary of the 2022 Income Budget

NSFC's 2022 income budget is RMB 42,716,017,200, including: general public budget allocation income of RMB 36,210,484,800, accounting for 84.77%; business income of RMB 161,340,000, accounting for 0.38%; other income of RMB 3,383,070,000, accounting for 7.92%; balances carried forward from the previous year, accounting for 6.93%.



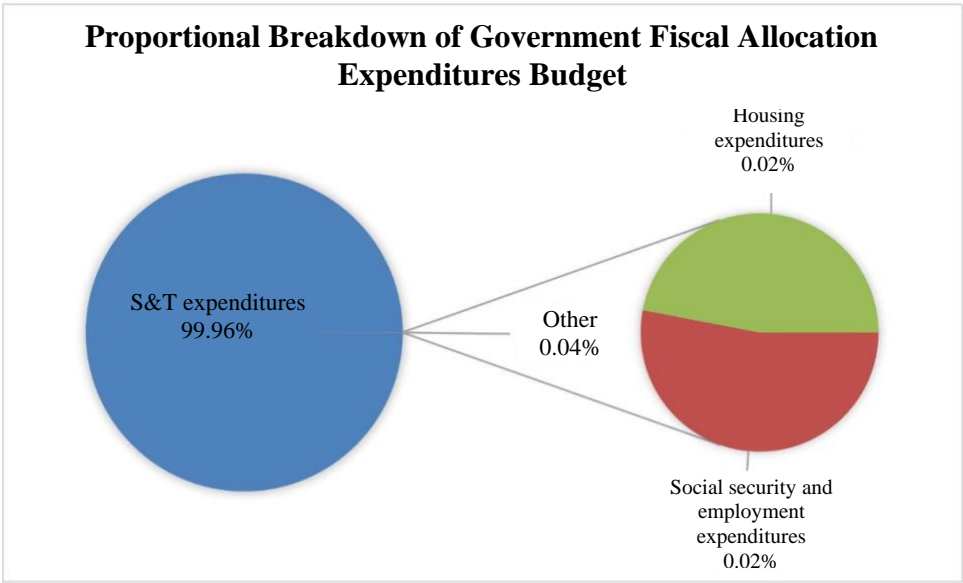
### III. Summary of the 2022 Expenditure Budget

In 2022, NSFC's budgeted expenditures totaled RMB 42,699,463,200, with basic expenditures accounting for RMB 157,151,400 or 0.37% and project expenditures accounting for RMB 42,542,311,800 or 99.63%.



#### IV. Summary of Government Fiscal Allocation Income and Expenditure Budgets

In 2022, the total budget of NSFC's government fiscal allocation income and expenditures is RMB 39,155,707,200, which includes: General public budget allocation income of RMB 36,210,484,800, a balance carried over from the previous year of RMB 2,945,222,400; expenditures include: S&T expenditures of RMB 39,141,032,800, social security and employment expenditures of RMB 7,774,000, and housing assurance expenditures of RMB 6,900,400.



#### V. Summary of 2022 General Public Budget Expenditures

In accordance with the relevant requirements of the Party Central Committee and the State Council on "belt tightening" ( “过紧日子” ), all undertakings will be carried out sparingly, general expenditures and non-urgent and non-fixed expenditures will be reduced, with a focus on ensuring major S&T tasks and other expenditure needs, which are reflected in the relevant expenditure items.

(i) Changes in General Public Budget Fiscal Allocations

The 2022 NSFC general public budget expenditures budget is RMB 36,210,484,800, an increase of RMB 2,852,841,000, or 8.6%, over the amount executed in 2021 of RMB 33,357,643,800. The main reasons for the increase are: the central government has increased investment in basic research, and there has been an increase in expenditures for natural science funds.

(ii) Actual Spending of General Public Budget Fiscal Allocation Expenditures

The sub-category expenditure account in which the budget amount in 2022 has increased significantly compared with the execution amount in 2021 is 20602 basic research, for which the budgeted amount in 2022 is RMB 36,198,312,800, an increase of RMB 2,851,271,000, or 8.6%, over the amount executed in 2021, mainly due to an increase of RMB 2,101,271,000 in expenditures for natural science funds.

According to the categorization of expenditure functions, S&T expenditures account for a relatively high proportion of total departmental expenditures, as follows: 2060203 natural science funds, with a budget of RMB 32,998,312,800 in 2022, accounts for 91.13% of the total general public budget expenditure, is mainly used for 18 different projects, including general projects, youth science fund projects, regional science fund projects, and the National Science Fund for Distinguished Young Scholars (国家杰出青年科学基金), to review activities related to funding for various projects, and for expenditures on the operations and maintenance (O&M) of information systems. 2060208 S&T talent teams, with a budget for 2022 of RMB 3.2 billion, accounts for 8.84% of the total departmental general public budget expenditures, and is mainly used for funding expenditures for special talent projects. Specifically:

1. **S&T (category) basic research (sub-category) natural science funds (item):** The budgeted amount for 2022 is RMB 32,998,312,800, an increase of RMB 2,101,271,000, or 6.8%, from the amount executed in 2021. This is mainly due to an increase in NSFC project expenditures.

2. **S&T expenditures (category) basic research (subsection) S&T talent teams (item):** The budgeted amount in 2022 is RMB 3.2 billion, and there was no amount executed in 2021, mainly because item-level categorization items for innovative talent projects and the like were moved from other basic research expenditures to S&T talent teams, resulting in an increase in expenditures.



3. **S&T expenditures (categories) basic research (subsections) other basic research expenditures (items):** The budgeted number in 2022 is 0, a decrease of RMB 2.45 billion, or 100%, from the amount executed in 2021 for other basic research expenditures, mainly because item-level categorization items for innovative talent projects and the like were moved from other basic research expenditures to S&T talent teams.

4. **Social security and employment expenditures (category) administrative unit pension expenditures (sub-category) expenditures on basic old age insurance contributions of government offices and public institutions (item, 2080505):** The budgeted amount for 2022 is RMB 5,088,000, an increase of RMB 240,000, or 5%, from the amount executed in 2021. This is mainly adjusted according to actual expenditure needs.

5. **Social security and employment expenditures (category) administrative unit pensions (sub-category) expenditures on occupational annuity contributions of government offices and public institutions (item, 2080506):** The budgeted amount for 2022 is RMB 2,544,000, an increase of RMB 120,000, or 5%, from the amount executed in 2021. This is mainly adjusted according to actual expenditure needs.

6. **Housing expenditures (category) housing reform expenditures (sub-category) housing provident fund (item):** The budgeted amount for 2022 is RMB 2.5 million, an increase of RMB 1 million, or 66.7%, from the amount executed in 2021. This was mainly to use funds carried over from previous years in 2021 and to increase the expenditure accordingly through the budget arrangement of the current year in 2022.

7. **Housing assurance expenditures (category) housing reform expenditures (sub-category) rental subsidies (item):** The budgeted amount for 2022 is RMB 550,000, an increase of RMB 120,000, or 27.9%, from the amount executed in 2021. This was mainly to use funds carried over from previous years in 2021 and to increase the expenditure accordingly through the budget arrangement of the current year in 2022.

8. **Housing assurance expenditures (category) housing reform expenditures (sub-category) home purchase subsidies (item):** The budgeted amount for 2022 is RMB 1,490,000, an increase of RMB 90,000, or 6.4%, from the amount executed in 2021. This is mainly because funds carried over from previous years were used in 2021, and the budget is arranged for the current year in 2022, such that expenditures will be increased accordingly.

## **VI. Summary of General Public Budget Basic Expenditures in 2022**

In NSFC's 2022 general public budget, total basic expenditures are RMB

85,093,000, of which:

**Personnel expenditures** account for RMB 58,443,000, which mainly include: Basic wages, subsidies and allowances, performance-based wages, old age insurance and occupational annuity contributions for government offices and public institutions, other social security expenditures, housing provident fund contributions, medical expenses, other salary and benefit expenditures, pension expenses, workers' compensation, living expense subsidies, and other individual and family subsidies.

**Public expenditures** account for RMB 26,650,000, which mainly include: Office expenses, printing expenses, consulting fees, water fees, electricity fees, postage and telecom fees, heating fees, property management fees, travel expenses, maintenance and upkeep fees, conference expenses, training expenses, official reception expenses, special-use material costs, labor expenses, union fees, benefit expenses, maintenance expenses for official vehicles, other transportation expenses, and other product and service expenditures.

#### **VII. Summary of the "Three Public" Expenses in the 2022 Budget**

NSFC conscientiously implements the requirements of the Party Central Committee and the State Council on "belt tightening" and insisting on strict economy and fighting waste, takes practical measures, and strictly controls spending on the "Three Public" expenses. In 2022, the fiscal government allocations budget for funding for the "Three Public" expenses is 1,802,400, which is the same as the previous year. Of which: official overseas (extraterritorial) travel expenses amount to RMB 1,054,700, which is mainly used for international travel expenses, transportation expenses between foreign cities, accommodation expenses, food expenses, training expenses, and public miscellaneous expenses incurred for official overseas (extraterritorial) travel; the purchase and operation cost of official vehicles is RMB 618,300, including the purchase cost of official vehicles of RMB 0 and the operation cost of official vehicles of RMB 618,300, which is mainly used for the fuel costs, maintenance costs, tolls, insurance, and safety award fees of official vehicles reserved in accordance with regulations; official reception expenses amount to RMB 129,400, which are mainly used for various types of official receptions according to regulations.

#### **VIII. Summary of 2022 Government Fund Budget Expenditures**

In 2022, NSFC did not use a government fund budget to allocate for arranged expenditures.

#### **IX. Summary of 2022 State-Owned Capital Operating Budget Expenditure**

NSFC did not use state-owned capital in the 2022 operating budget.

## Part 4. Important Notes

### I. NSFC Project Status

#### (i) Overview of project.

The National Natural Science Fund of China is a special fund established by the state to finance basic research stipulated under the *Law of the People's Republic of China on Progress in Science and Technology*. Main expenditures include funding for various projects of NSFC, organizing project review and management, building and maintaining information systems, and supporting the purchase and repairs necessary for the operation of its undertakings.

In the early 1980s, in order to promote the reform of China's S&T system and change the funding method for scientific research, 89 academicians (members) of the Chinese Academy of Sciences wrote to the CPC Central Committee and the State Council, suggesting the study of successful international experience and the establishment of a national natural science fund, which was approved by the CPC Central Committee and the State Council. The National Natural Science Foundation of China sponsors S&T personnel from domestic colleges and universities, scientific research institutions, and other institutions that contribute to the public good (公益性机构) with independent legal person status that carry out basic research, allowing them to carry out basic research and exploration of the frontiers of science. The work of NSFC has fully introduced and implemented advanced research funding models and management concepts, established the review principles of "relying on experts, promoting democracy, and selecting the best support with fairness and reason," and established an operating mechanism of "scientific democracy, equal competition, and encouragement of innovation," giving full play to the Natural Science Foundation's function of "direction, stabilization, and encouragement" of China's basic research.

In accordance with the overall deployment of comprehensively deepening the reform of the S&T system and implementing the innovation-driven development strategy, NSFC has made great efforts to promote the "Three Reform Tasks" as the core. "Strengthen the Three Constructions, improve the Six Mechanisms, strengthen the Two Priorities, and optimize the Seven Aspects of funding management" are important measures of the systematic reform plan, and NSFC actively promotes the sector-based reform of the funding layout as it strives to build a new era science fund governance system with "advanced concepts, standardized systems, fairness, and efficiency" so as to play a greater role in promoting the high-quality development of basic research in China and self-reliance (自立自强) in S&T.

(ii) Basis for project establishment.

The *Notice on Issuing the Provisions on the Function Configuration, Internal Bodies, and Staffing of the National Natural Science Foundation of China* ([2000] No. 82) of the General Office of the State Council stipulates that NSFC is the public institution that manages state natural science funds. In accordance with the national S&T development directives, policies, and plans and in accordance with the mode of operation used by natural science funds which is compatible with the socialist market economic structure, NSFC uses natural science funding investments of the central government fiscal budget to subsidize basic research and some applied research, to discover and train S&T talent, to give full play to the guiding and coordinating role of natural science funds, and to promote S&T progress and economic and social development. NSFC is also responsible for the management of state natural science funding.

The *Regulations on State Natural Science Funds* (State Council Order No. 487) stipulates that the state has established state natural science funds to subsidize basic research as prescribed by the *Law of the People's Republic of China on Progress of Science and Technology*. Central government fiscal allocations are the main source of state natural science funding.

The *Notice of the State Council on Issuing the Plan for Deepening the Reform of Administration of Central Fiscal Scientific Research Projects (Special Projects and Funds, Among Others)* ([2014] No. 64) clearly stipulates that, in accordance with national strategic needs, government S&T administrative functions, and S&T innovation legislation, S&T plans (special projects, funds, etc.) managed by central departments will be integrated to form five types of S&T plans (special projects, funds, etc.). Specifically, state natural science funds subsidize basic research and exploration of scientific frontiers, support talent and team building, and enhance our capacity for innovation at the source (源头创新能力).

(iii) Implementing entities:

This project is organized and implemented by NSFC.

(iv) Implementation scheme:

1. Overall philosophy:

The National Natural Science Foundation of China grasps the strategic positioning of "funding basic research and scientific frontier exploration, supporting talent and team building, and enhancing source innovation capabilities," and strives to cultivate innovative ideas and innovative talents. NSFC is responsible for formulating and issuing guidelines for science fund projects, accepting project applications,

organizing expert reviews, selecting projects for funding, supervising the implementation of funded projects, and creating a research environment conducive to innovation.

## 2. Implementation method and schedule:

The funding work of the National Natural Science Foundation of China follows the principles of openness, fairness, and justice and implements the directives of respecting science, promoting democracy, advocating competition, promoting cooperation, stimulating innovation, and leading the future, giving full play to the role of experts, adopting macro guidance and free application, equal competition, peer review, and merit-based support mechanisms.

NSFC selects experts with high academic credentials and good professional ethics in accordance with the principles of combining representativeness and diversity, dynamic adjustment, and experts' free will and establishes peer expert review teams and conference review teams or professional review committees. The review experts make independent judgments and evaluations on the scientific value, innovation, social impact, and feasibility of research plans and on applied funding for applied funding projects, and put forward funding recommendations.

Funding projects are generally selected and determined according to the following procedures: Preliminary review of project applications; organization of peer experts to conduct communication review; organization of conference review expert groups to conduct conference review; review and approval. Most natural science fund projects receive applications in a centralized manner every year, and the deadline for centralized acceptance of general project applications is March 20 each year. The project guidelines will be released in January, the preliminary review, communication review and meeting review will be completed from April to July, and review and approval is in August. The time for initial review, communication review, and conference review of project applications that are not received centrally is not fixed.

## 3. Milestones and achievements:

For a period of time in the future, state natural science funds will meet the major needs of the country and the frontiers of world science. Through fruitful funding work, they will lead to more scientific breakthroughs, cultivate scientific talent, provide strategic support for innovation-driven development., gather high-end talents and a strong innovation culture, improve China's capacity for innovation at the source, and contribute to realizing the high-quality development of basic research and self-reliance in S&T.

### (v) Implementation cycle

These projects are multi-year ongoing projects.

(vi) Annual budget arrangements

The 2022 planned general public budget allocation for this project is RMB 32,925,391,800. Of which:

1. RMB 12,690,581,800 for surface (面上) projects. This supports S&T personnel engaged in basic research to independently select topics within the scope of funding from the science fund, to carry out innovative scientific research, and to promote balanced, coordinated, and sustainable development of various disciplines.

2. The Youth Science Fund project accounts for RMB 6,059,840,000. It supports young scientists and technicians to independently select topics within the scope of the science fund, to carry out basic research work, to cultivate young scientists and technicians' ability to independently preside over scientific research projects and conduct innovative research, to encourage young scientists and technicians to think in new ways, and to cultivate the next generation of basic researchers.

3. Funding for key projects amounts to RMB 2,395,880,000. This supports S&T personnel engaged in basic research to carry out in-depth, systematic, and innovative research on existing research directions or disciplinary growth points, to promote disciplinary development, and to promote breakthroughs in several important fields or scientific frontiers.

4. The Science Fund for Outstanding Youth (优秀青年科学基金) project accounts for RMB 1,435,360,000. This supports young scholars who have achieved good results in basic research to independently choose research directions to carry out innovative research, promotes the rapid growth of young S&T talents, and cultivates a group of outstanding academic backbones who are expected to enter the world's S&T frontiers.

5. Funding for regional science fund projects amount to RMB 1,289,530,000. This supports S&T personnel of supporting units in a specific region that carry out innovative scientific research within the scope of the science fund, train and support the S&T personnel in the region, stabilize and gather outstanding talents, and serve the construction of the regional innovation system and economic and social development.

6. Funding for major research projects amount to RMB 1,065,710,000. This supports major national strategic needs and major scientific frontiers, strengthens top-level design, condenses scientific goals, aggregates superior forces, forms project clusters with relatively unified goals or directions, promotes the intersection and

integration of disciplines, incubates innovative talents and teams, improves the original innovation capabilities of China's basic research, and provides scientific support for the national economy, social development, and national security.

7. Funding for international (regional) cooperative research projects amounts to RMB 937.48 million. This supports S&T personnel that base themselves on the frontiers of international science, effectively utilize international S&T resources, and carry out substantial international (regional) cooperative research based on the principles of equal cooperation, mutual benefit, and sharing of results, so as to improve China's scientific research level and international competitiveness.

8. Funding for major projects amounts to RMB 914.23 million. This supports major scientific issues facing the frontier of science and the major needs of national economic, social, and S&T development and national security, enables advance deployments, carries out multidisciplinary research and comprehensive research, gives full play to supporting and leading roles, and enhances the original innovation capabilities of China's basic research.

9. Funding for basic science center projects amounts to RMB 905.18 million. This support aims to centralize and integrate domestic superior scientific research resources along the frontiers of international science, to deploy ahead of time and give full play to the advantages and characteristics of the science funding system. This relies on high-level academic leaders to attract and gather outstanding S&T talents at home and abroad with a focus on promoting the in-depth cross-integration of disciplines with relatively long-term and stable support for researchers to concentrate on research and exploration. This project is committed to scientific breakthroughs, to producing a batch of original achievements of international leading level, and to seizing the commanding heights of international scientific development and forming a number of academic bastions with important international influence.

10. Funding for the national major scientific research instrument development project amounts to RMB 904.14 million. This project supports cutting-edge science and national needs, is guided by scientific goals, strengthens top-level design, clarifies key development directions, encourages and nurtures the development of exploratory scientific research instruments with original ideas, and focuses on supporting the development of original major scientific research instruments and equipment for scientific research. This project provides more innovative means and tools to comprehensively enhance China's original innovation capabilities.

11. Funding for special projects amounts to RMB 826.15 million. This supports innovative research that needs timely funding, original exploration projects that select original ideas, and S&T activities related to the development of state natural science

funds.

12. Funding for jointly funded projects is RMB 751.4 million. Support for this project aims to give full play to the guiding role of state natural science funds, to guide and integrate social resources into basic research, to condense and transform the actual needs of relevant departments, enterprises, and regions into scientific problems, to gather superior scientific research forces to carry out scientific research, and to promote improvements to the independent innovation capabilities of China's related fields, industries, and regions.

13. Funding for innovative research group projects amounts to RMB 479.98 million. This supports outstanding young and middle-aged scientists as academic leaders and research backbones who jointly carry out innovative research around an important research direction and grow research groups that occupy a place in the international scientific cutting edge.

14. The research fund for foreign scholars amounts to RMB 315 million. This supports outstanding foreign researchers who voluntarily come to China to carry out research work, choose their own topics within the scope of state natural science funds, carry out basic research work in mainland China, and promote long-term and stable academic cooperation and exchanges between foreign scholars and Chinese scholars.

15. Funding for international (regional) cooperation and exchange projects amounts to RMB 70 million. This project supports NSFC to carry out personnel exchanges under the framework of bilateral (multilateral) agreements signed with overseas science fund organizations, scientific research institutions, or international organizations, to hold multilateral (bilateral) conferences in China, and for overseas (extraterritorial) travel to participate in multilateral (bilateral) conferences. Bilateral and multilateral meetings, as well as other exchange activities, are aimed at creating opportunities for cooperation, close cooperation links, and laying the foundation for promoting substantive cooperation.

16. Funding for the Mathematics Tianyuan Fund (数学天元基金) is RMB 53.4 million. This supports S&T personnel to carry out scientific research, cultivates young talents, promotes academic exchanges, optimizes the research environment, disseminates mathematical culture, and enhances China's mathematical innovation capabilities based on the characteristics and needs of mathematics.

17. Funding for the Overseas, Hong Kong and Macau Scholars Cooperative Research Fund project amounts to RMB 2.7 million. This supports overseas, Hong Kong, and Macau scholars and domestic (mainland) partners to carry out high-level cooperative research, attract overseas, Hong Kong, and Macau outstanding talents to



serve the country (mainland China), and give full play to the advantages of overseas, Hong Kong, and Macau S&T resources.

18. The National Science Fund for Distinguished Young Scholars project accounts for RMB 1,400,030,000. This supports young scholars who have made outstanding achievements in basic research to independently choose research directions to carry out innovative research, promote the growth of young S&T talents, attract overseas talents, and incubate a group of outstanding academic leaders who have entered the cutting edge of world S&T.

19. Project organization and implementation costs amount to RMB 400 million. This mainly consists of expenditures for science fund project acceptance and review activities, including peer expert communication review fees, expert consultation fees, and review meeting fees as well as related expenditures for science fund project management.

20. Funding for information network construction, renovation, and other projects accounts for RMB 28,800,000. This is mainly used for the operation, maintenance, and adaptive adjustment of the state natural science fund management information system and for the expenditures required for the construction of the basic research knowledge base system and the project achievement information system.

(vii) Project Performance Objectives:

### State Natural Science Fund Project Performance Objectives

(2022)

Project Name	State Natural Science Funds		
Main oversight department and code	[280] NSFC	Implementing unit	NSFC
Project funds (unit: RMB 10,000)	Annual total funds		3,665,741.18
	Of which: Government budget appropriations		3,292,539.18
	Balance carried forward from previous year		24,072.00
	Other funds		349,130.00
			Execution rate score (10)

Overall Annual Targets	In 2022, NSFC will use natural science funds funded by state fiscal investment to organize experts to complete project reviews and fund established natural science basic research projects with the number of projects funded exceeding 40,000. Through funding work, the balanced development of various disciplines in the field of natural sciences has been promoted, and more than 10 major original and cutting-edge scientific achievements have emerged, and the overall rate of good project research results has reached more than 70%. NSFC is responsible for the management of state natural science funds, supervising the implementation of funded projects and for ensuring that all tasks of fund management are carried out in an effective and orderly manner.				
Performance metrics	Level 1 metrics	Level 2 metrics	Level 3 metrics	Indicator Value	Score weight (90)
	Cost Metrics	Economic cost metrics	Average communication review cost per project	$\leq$ RMB 980	5
			Average meeting review cost per project	$\leq$ RMB 2000	5
			Administrative expenditures as a percentage of departmental budget	$\leq$ 3%	10
	Output metrics	Quantitative metrics	Original scientific research results	$\geq$ 10	5
			Projects funded	$\geq$ 40,000	10
		Qualitative metrics	Percentage of project implementation process rated as excellent	$\geq$ 30%	5
			Overall rate of proper project implementation	$\geq$ 70%	10
		Timeliness metrics	Rate of on-schedule application and project initiation	$\geq$ 95%	5
			Rate of on-schedule completion	$\geq$ 90%	5
	Benefit metrics	Social benefit metrics	Promoting the development of basic research teams	$\geq$ 200,000	5
			Comprehensive coverage of disciplines	$\geq$ 90%	10
			Typical cases of achievement through application	$\geq$ 50	5
	Satisfaction metrics	Service recipient satisfaction metrics	Evaluation expert satisfaction	$\geq$ 80%	5
			Applicant satisfaction	$\geq$ 80%	5

## II. Government Procurement

In 2022, the total budget for government procurement is RMB 117,394,400, of which, the budget for government procurement of goods is RMB 10,643,800, the budget

for government procurement for projects is RMB 3 million, and the budget for government procurement of services is RMB 103,750,600.

### **III. Use of State-Owned Assets**

As of July 31, 2021, NSFC had 19 vehicles. Specifically, six were vehicles used by department-level leading cadres, two were vehicles for confidential communications (机要通信用车), one was an emergency support vehicle, 0 were for law enforcement duties, 0 were for specialized technical uses, and 10 vehicles were for other uses. Other vehicles were for business (业务) uses. There were 23 units (sets) of general purpose equipment with a unit value over RMB 500,000, and 0 sets of special use equipment with a unit value over RMB 1 million.

In 2022, departmental budgets arranged for the purchase of official vehicles, vehicles with a unit price of more than RMB 500,000, and special-purpose equipment with a unit price of more than RMB 1 million.

### **IV. Budget Performance**

In 2022, NSFC will fully implement performance objective management for project expenditures, involving a budget allocation of RMB 42,542,311,800 and three first-level (一级) projects. Of which, the general public budget allocation amounts to 36,125,391,800, and there are 29 secondary projects. At the same time, it is planned to carry out departmental performance evaluation for 6 projects including general projects, involving a budget allocation of RMB 26,014,561,800. Based on the results of previous annual performance evaluations, we will optimize the 2022 budget arrangements for project expenditures such as natural science funds and further improve management and policies.

## Part 5: Glossary

**(i) General public budget appropriations income:** Funds allocated by the central government in the current year.

**(ii) Business income (事业收入):** Income derived from professional and ancillary activities of public institutions. This is mainly due to the income obtained from the business activities of the directly subordinate self-supporting institutions.

**(iii) Other income:** Income other than "general public budget allocations" as described above. This mainly consists of funds, such as special government allowances allocated by the Ministry of Human Resources and Social Security, from investors outside of the joint foundation (联合基金委外投入方), which will be allocated by NSFC to units entrusted with projects.

**(iv) Balance carried forward from prior year:** Funds that were not used up in prior years and are carried over to the current year but continue to be used for their original intended purposes.

**(v) S&T technology (category) basic research (sub-category) natural science funds (item):** Expenditures for natural science funds established by the State Council.

**(vi) S&T (category) basic research (sub-category) S&T talent teams (item):** Expenditures for high-level talents, graduate training in scientific research institutions, and postdoctoral science funds.

**(vii) S&T (category) basic research (sub-category) other basic research expenditures (item):** Other expenditures for basic research work.

**(viii) Social security and employment expenditures (category) pension expenditures of administrative organs and public institutions (sub-category) basic old age insurance contributions of government offices and public institutions (item):** Basic old age insurance contributions paid by government offices and public institutions that implement the old age insurance system.

**(ix) Social security and employment expenditures (category) administrative public institution pensions (sub-category) expenditures on occupational annuity contributions of government offices and public institutions (item):** Expenditures on occupational annuity contributions by government offices and public institutions for institutions to implement the old age insurance system.

**(x) Housing assurance expenditures (category) housing reform expenditures (sub-category) housing provident fund (item):** Refers to a long-term housing savings fund contributed to by work units and their active employees in accordance with *Regulations on the Management of the Housing Provident Fund*. This policy began in

the mid-1990s and is generally implemented among employees in government offices, enterprises, and public institutions across the country. The minimum contribution ratio is 5% and the maximum contribution ratio is 12% of the employee's salary from the prior year. The bases for contributions by administrative units include the salaries for the posts and grades of civil servants, salaries for posts and technical grades (positions) of workers in government offices, one-time year-end bonuses, special post allowances, and allowances for hardship and remote areas, as uniformly stipulated by the State, and work-related subsidies and living allowances issued after the regulation; the bases for contributions by public institutions include the salaries for posts, pay scale salaries, allowances for hardship and remote areas, and special post allowances, as uniformly stipulated by the State.

**(xi) Housing assurance expenditures (category) housing reform expenditures (sub-category) rent subsidy (item):** Rent subsidies approved by the State Council and subsidies for the increase in the rent standard for public housing of central units in Beijing that began in 2000. Central units in Beijing determine the rent subsidy according to the number of active employees and retirees and the corresponding subsidy standard.

**(xii) Housing assurance expenditures (category) housing reform expenditures (sub-category) housing purchase subsidies (item):** Housing purchasing subsidies paid in accordance with the provisions of the *Circular of the State Council on Further Deepening the Urban Housing System Reform and Accelerating Housing Construction* ([1998] No. 23.) Since the discontinuation of housing allocation in kind in the second half of 1998, subsidy funds for the monetization reform of housing distribution are disbursed to employees without housing or with non-compliant housing in areas with a housing price-to-income ratio of more than four. Central government administrative units began issuing home purchase subsidies in 2000, while local administrative units began issuing them in 1999. Enterprises determine them based on their own circumstances. Implementation on the part of central government units in Beijing is in accordance with the standards stipulated in *Notice of the General Office of the CCP and the General Office of the State Council on Forwarding the "Opinions on Improving the Housing System for Central and State Organs in Beijing"* ([2005] No. 8), while implementation on the part of central government units outside of Beijing is in accordance with the standards stipulated in the policies of local people's governments on the monetary reform of housing allocation.

**(xiii) Carry over to next year:** Funds in the budget of one year which could not be used as originally planned due to changes in objective conditions. These funds must be carried over to the next year, when then must continue to be used for their original purposes.

**(xiv) Basic expenditures:** Personnel expenditures and office expenditures incurred to ensure the normal operation of agencies and their completion of routine work tasks.

**(xv) Project expenditures:** Expenditures in addition to basic expenditures that are incurred to complete special work tasks and business development goals.

**(xvi) Funding for the "Three Public" expenses:** Funding for the "Three Public" expenses is managed in the central fiscal budget. This refers to the use of fiscal allocations from central departments to cover the expenses of official international travel, official vehicle purchases and operation, and official receptions. Official international travel expenses are the international travel expenses, inter-city travel expenses once abroad, accommodation expenses, dining expenses, training fees, and miscellaneous expenses of staff on official business during official international travel. Official vehicle purchase and operating expenses include vehicle purchase expenses (including tax), rental expenses, fuel expenses, repair expenses, tolls, insurance expenses, and safety award expenses. Official reception expenses include the various expenditures on official receptions (including for foreign guests) as per relevant regulations.