

Grant Agreement
Between
The Partnership for Transparency Fund, Inc.
And
Consumer Unity & Trust Society

1. **Consumer Unity & Trust Society** has requested financial support of The Partnership for Transparency Fund, Inc. (PTF) to implement a program for “**Contributing towards Corruption Free and Transparent Service Delivery in ‘Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)’ through Civic Engagement in Jaipur and Tonk Districts of Rajasthan, India**”. The program will be called “**Contributing towards Corruption Free and Transparent Service Delivery in ‘Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)’ through Civic Engagement in Jaipur and Tonk Districts of Rajasthan, India**” and will commence from **April 01, 2012** and is expected to be completed by **March 31, 2013**. The Grant is being made under the Citizens Against Corruption (CAC) program in South Asia, funded by a grant from the UK Department of International Development and which is being implemented by PTF and its partner Public Affairs Centre (hereafter called PAC), Bangalore, India in South Asia.

2. **Consumer Unity & Trust Society** has submitted the attached Project Proposal dated **March 20, 2012**, which includes background information on **Consumer Unity & Trust Society**, an operational plan for the project, and a detailed breakdown of costs.

3. On the basis of this information, PTF has approved a grant of **US\$ 25,000 (US Dollars Twenty Five Thousand only)** to be disbursed in three tranches, each for the purposes spelled out in the attached document. The tranches will be disbursed as follows:

a) First tranche of **US\$ 10,000 (US Dollars Ten Thousand only)** to be disbursed on signature of this Grant Agreement.

b) Second tranche of **US\$ 12,500 (US Dollars Twelve Thousand and Five Hundred only)** to be disbursed six months after the start of the project, and upon receipt by PTF of a certified statement of expenditure showing the itemized use made of the first tranche funds and satisfactorily progress in

1. Baseline survey is completed for the project area and a revised results framework including baseline and updated end of project target values is submitted and found satisfactory by PTF-PAC.

2. An analytical report on extent to which the anti-corruption measures in design of NREGA are working or not working and reasons therefor is completed and submitted.

3. A progress report on the first six months of implementation has been submitted and progress is considered satisfactory by PAC and PTF.

4. Audited annual accounts of the organisation for the financial year ending 31st March'12 will be submitted within 6 months after end of the financial year.” and Financial reporting is up-to-date and satisfactory as deemed to be satisfactory by PAC and PTF. If there is a need for reallocation of the budget, this must be reported, and mutual agreement on the proposed changes obtained from PAC and PTF for this.



C) Third tranche of **US\$ 2,500 (US Dollars Two Thousand and Five Hundred only)** to be disbursed on receipt from **Consumer Unity & Trust Society** of a satisfactory, as deemed by PTF and PAC, project completion report that describes and assesses the project achievements, including an assessment of the project's impact and a final certified statement of project expenditures.

4. **Consumer Unity & Trust Society** on its part commits to provide counterpart support equivalent to **US\$ ----** to make up the balance of the **US\$ 25,000 (US Dollars Twenty Five Thousand only)** estimated total cost of the project, and any additional balances needed to complete the project.

5. The PTF grant will be made available to **Consumer Unity & Trust Society** on the following conditions:

a) The grant will be used only for the purposes described in the attached Project Proposal. Any material changes in the use of project funds or project design shall be made only with the prior agreement of the PTF.

b) If PTF finds that the its grant was not used/is not being used for the purposes or in the manner described in the Project Proposal or the conditions have changed such that the project is not likely to achieve its objectives, PTF has the right to cancel the remaining tranches of its grant. In case PTF finds that its grant funds were willfully misused by **Consumer Unity & Trust Society**, PTF reserves the right to require the full refund of its grant.

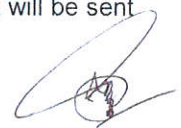
c) Any funds disbursed by PTF remaining unutilized at the end of the project shall be returned by **Consumer Unity & Trust Society** to the PTF.

d) **Consumer Unity & Trust Society** shall keep a record of all expenditures incurred under the project and will provide PTF a full certified accounting of these expenditures, with relevant documentation, [1] following expenditure of the first tranche funds, [2] following expenditure of the second tranche funds and [3] on completion of the project.

e) **Consumer Unity & Trust Society** shall provide PTF a copy of its audited financial statements for each year during the term of the grant hereunder, within 180 days of the end of each of its fiscal years. Such financial statements shall be accompanied by the auditor's certification, which shall be in form and substance reasonably satisfactory to PTF. Such audited accounts shall include in its notes or schedules a statement disclosing the PTF grant and the expenditures made thereunder during the relevant period.

f) PTF shall have the right, upon reasonable notice, to inspect (or to have its designated representatives inspect) the books and records of **Consumer Unity & Trust Society** relating to the project and to the grant.

g) **Consumer Unity & Trust Society** will make brief quarterly reports on the implementation of the project accompanied by a statement of expenditure showing the use of PTF funds and, on project completion, a detailed final report summarizing the implementation of the project and its outcome and assessing the impact of the project on reducing corruption, its likely sustainability and the lessons learned, together with a certified final itemized statement of expenditure. The latter report will be sent



within two months of the completion of the project, together with a copy of any other reports prepared under the project.

h) Following project completion, the PTF and PAC may make their own independent ex post evaluation of the implementation, outcome and impact of the project. **Consumer Unity & Trust Society** will furnish the person appointed to undertake this task all possible assistance and access to all relevant documents and personnel.

i) **Consumer Unity & Trust Society** will post this Grant Agreement, the Project Proposal, the final project report, and the statement of expenditures on **Consumer Unity & Trust Society's** website, and PTF and PAC shall have the right to post on its website such documents and any other reports received from **Consumer Unity & Trust Society** or from its independent evaluation of the project.

6. Public Affairs Centre (PAC), Bangalore are authorized to administer this project, track the implementation of the use of the grant by the Grant Applicant and to initiate necessary action with regard to the project. The Grant Applicant will respond to enquiries and directions on all matters pertaining to this project from PAC, and from PTF, during the course of the project. The Grant Applicant is also expected to contribute to common learning events and activities designed and conducted by PAC and PTF in furtherance of the objectives of the Citizens Against Corruption program from time to time.

7. **Consumer Unity & Trust Society** will be responsible for securing all necessary government approvals of the grant, if any, and any necessary government filings and will be responsible for paying any tax liability arising from the grant. **Consumer Unity & Trust Society** shall compensate PTF in the event that PTF suffers any liability or expense as a result of **Consumer Unity & Trust Society's** failure to obtain any such required approvals or to pay any such tax liability

8. This Grant Agreement will become legally binding and effective when signed on behalf of **Consumer Unity & Trust Society** and a copy of the signed Agreement is received as a .pdf email attachment addressed to Roger Sullivan, Secretary, PTF at rsullivan@ptfund.org. For all purposes, the Grant Agreement shall be evidenced by .pdf copies of counterparts signed by PTF and, separately **Consumer Unity & Trust Society** and such counterparts shall be deemed to constitute one and the same instrument. Requests for subsequent tranche releases may be sent by email to the PTF Secretary at rsullivan@ptfund.org.

9. The responsible PAC Manager is **Mr.Harish** and his email id is rsuresh.pac@gmail.com and PTF Project Advisors in respect of this project is **Ms.Stephanie de Chassy** and her email id is stephaniedechassy@gmail.com and **Mr.Vinay Bhargava**, vbhargava@PTFund.org or such other staff/Adviser as PAC and PTF may subsequently notify to **Consumer Unity & Trust Society**. Such PAC Staff and Project Advisors and shall be **Consumer Unity & Trust Society's** principal point of contact in respect of the project in PTF.

10. The responsible **Consumer Unity & Trust Society** project director in respect of this project **Mr.George Cheriyan** and his email id is gc@cuts.org or such other project director as **Consumer Unity & Trust Society** may subsequently notify to PTF. Such project director shall be PTF's principal point of contact in respect of the project.



11. Each of PTF and **Consumer Unity & Trust Society** represents and warrants, for the benefit of the other party, that:

- a. it is a legal entity recognized under the laws of the jurisdiction of its formation or in which its principal activities are conducted; and
- b. this Grant Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms.

In addition, **Consumer Unity & Trust Society** represents and warrants, for the benefit of PTF and PAC that [1] the information set forth in the Project Proposal does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and [2] the making of the grant by PTF shall not subject PTF to any tax or require any governmental approval in the jurisdiction in which **Consumer Unity & Trust Society** is organized and operates.

12. This Grant Agreement shall be governed by the laws of the District of Columbia in the United States of America, the jurisdiction in which PTF's principal executive offices are located. In the event of any dispute between the parties in respect of the Grant Agreement, the parties shall act in good faith to resolve such dispute through discussions and negotiation, and they may seek the assistance of a third party mediator to assist them in the resolution of such dispute. In the absence of a mutually acceptable resolution, such dispute shall be resolved by arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Agreement. Any such arbitration shall be conducted in the English language before an impartial single arbitrator sitting in Washington, D.C., appointed by the American Arbitration Association as appointing authority.

Dated:

28 March 2012

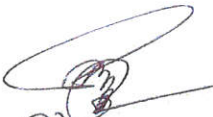
For
The Partnership for Transparency Fund, Inc.



Roger Sullivan
Secretary

For Consumer Unity & Trust Society

[Name and designation of first officer signing the agreement]


George Cheriyon, Director, CUTS

[Name and designation of second officer signing the agreement]



Arun Talwar
Deputy Executive Director
(Finance & Administration)
Consumer Unity & Trust Society
JAIPUR

Dated: 2012.03.20

Address for Notices:

[CSO Name, office and mailing address Phone numbers and and email contact address]

Consumer Unity & Trust Society
D-217, Bhaskar Marg, Bani Park
JAIPUR-302 016, INDIA
Ph: 91-141-228 2821, FX: 91-141-228 2485

Attachment: Project Proposal dated 20.03.2012, LFA, Budget, PPM and Map of Project Area.

CC: PAC staff as designated in Section 8.