
Sub-Project Grant Agreement

**Sub-Project Grant Agreement
among
The Partnership for Transparency Fund, Inc.,
HELVETAS Swiss Intercooperation Nepal and
SKY–Samaj Nepal**

1. This Sub-Project Grant Agreement (the Agreement) is entered into among (i) The Partnership for Transparency Fund, Inc. (PTF) (a not-for-profit corporation organized under the laws of the State of New York in the United States), acting in its capacity as the recipient of grant funds from the Japan Social Development Fund administered by the International Development Association of the World Bank Group (World Bank) for the project, "Citizen Action for Results, Transparency and Accountability (CARTA) Program" (the JSDF Program), (ii) HELVETAS Swiss Intercooperation Nepal (HELVETAS Nepal) (a non-profit organization organized under the laws of Federal Democratic Republic of Nepal), acting in Nepal in support of PTF's activities under the JSDF Program pursuant to a Memorandum of Understanding between PTF and HELVETAS Nepal dated 25 October 2011, and SKY–Samaj Nepal (the Grantee) (a non-governmental organization organized under the laws of Federal Democratic Republic of Nepal), to implement under the JSDF Program a sub-project (the Sub-Project) for assessing the effectiveness of the School Sector Reform Project (SSRP), financed by the World Bank [World Bank Project ID **50157 NP**] and increasing rights, transparency and accountability through enhanced citizen participation in the project. The Sub-Project will be called "Promotion of Governance through Verification of Printed and Distributed School Text Book in SSRP" and will commence from 1st March 2014 and conclude 31st December 2014. PTF, HELVETAS Nepal and the Grantee hereby agree to the following terms and conditions:

2. The Grantee has submitted the attached Sub-Project Proposal dated 10th October 2013 (the Proposal), which includes background information on the Grantee, an operational plan for the Sub-Project and a detailed breakdown of costs. The total budget of the Sub-Project is US\$ 71,726 including a contribution from the Grantee.

3. All capitalized terms and abbreviations not otherwise defined in this agreement shall have the meanings ascribed to such terms and abbreviations in the Proposal.

4. On the basis of this information, PTF and HELVETAS Nepal have approved a sub-grant of US\$ 66,937 (the Sub-Grant) to the Grantee for the Sub-Project, to be disbursed in four tranches, each for the purposes specified in the attached document (the Sub-Project Proposal).

5. The tranches will be disbursed as follows:

- a. First tranche of US\$ 16,734 will be disbursed upon signature of this Sub-Grant Agreement.
- b. Second tranche of US\$ 16,734 will be disbursed after the inception phase, which is expected to take two month, is completed. The tranche is to be disbursed after receipt by PTF and HELVETAS Nepal of a brief report from SKY-Samaj on progress made in the inception phase. Furthermore, release of the second tranche is also conditional on revision of SKY-Samaj Nepal's proposal and work plan, satisfactory to PTF and HELVETAS Nepal.

- c. Third tranche of US\$ 23,425. will be disbursed after PTF and HELVETAS Nepal receive a certified statement of expenditure in accord with the revised logical framework and works plan showing the itemized uses made of the first and second tranche funds, accompanied by a brief report on progress made in the implementation of the sub-project showing that the following activities have been completed satisfactorily: recruitment & orientation of the sub project staff, review of relevant documents on textbook printing and distribution, project launching events with stakeholders, collection of baseline information, verification on compliance of printing plan, physical counting of text book printing, assessment of the implementation of text book delivery to distributors and conduct of Citizen Report Card survey.
 - d. Final tranche of US\$ 10,044 to be disbursed on receipt by PTF and HELVETAS Nepal of a satisfactory Sub-Project Completion Report that describes and assesses the Sub-Project achievements and impacts, and receipt of a final certified statement of Sub-Project expenditures.
6. The Grantee on its part commits to provide counterpart funding of US\$ 4,789 or its equivalent in local currency, to fund the balance of US\$ 71,726 estimated total cost of the Sub-Project, and any additional funds needed to complete the Sub-Project.
7. The Sub-Grant will be made available to the Grantee on the following terms and conditions:
 - a. The Grantee undertakes to carry out the Sub-Project (a) with due diligence and efficiency, (b) in accordance with sound technical, economic, financial, managerial, environmental and social standards, and (c) in accordance with the provisions of the Project Operational Manual for the JSDF Program (copies of which have been provided to the Grantee) and the World Bank's Anti-Corruption Guidelines¹.
 - b. The Grantee will employ a Sub-Project Team Leader whose qualifications and experience are satisfactory to HELVETAS Nepal and PTF.
 - c. The Sub-Grant will be used only for the purposes described in the attached Sub-Project Proposal. Any material changes in the use of Sub-Project funds or Sub-Project design shall be made only with the prior agreement of PTF and HELVETAS Nepal
 - d. If PTF and HELVETAS Nepal determine that the Sub-Grant was or is not being used for the purposes or in the manner described in the Sub-Project Proposal and in accordance with this Agreement or the conditions have changed such that the Sub-Project is not likely to achieve its objectives, PTF and HELVETAS Nepal have the right to cancel the remaining tranches of the Sub-Grant by written notice to the Grantee. In case PTF is required to refund any portion of the grant received for the JSDF Program from which it has funded the Sub-Grant due to any such misuse of Sub-Project funds or change of conditions, the Grantee shall refund the amount of the Sub-Grant or the portion thereof which PTF is required to refund under the grant received by it for the JSDF Program.

¹ Such Guidelines are available at:
<http://siteresources.worldbank.org/INTLEGSTAFONLY/Resources/AnticorruptionGuidelinesOct2006RevisedJan2011.pdf>

- e. Any funds disbursed by PTF and HELVETAS Nepal to the Grantee for the Sub-Project remaining unutilized at the end of the Sub-Project shall be returned by the Grantee to PTF through HELVETAS Nepal.
- f. All goods and consultants' services required for the activities of the Sub-Project and to be financed out of the proceeds of the Sub-Grant shall be procured in accord with the CARTA Operations Manual and the World Bank's Guidelines on Procurement² and on Consulting Services.³ Furthermore, all contracts for goods and consultants' services shall be subject to prior review by PTF and HELVETAS Nepal.
- g. The Grantee shall maintain records and accounts adequate to reflect the operations, resources and expenditures related to the Sub-Project, and shall retain such records and accounts for a period of six years following completion of the Sub-Project. The Grantee shall provide PTF and HELVETAS Nepal a full certified accounting of such expenditures, with relevant documentation, (1) following expenditure of the second tranche funds, (2) on completion of the Sub-Project, but in any event no later than March 31, 2015 and (3) at any other time upon the request of PTF, HELVETAS Nepal or the World Bank. These expenditures will also be subject to the regular auditing requirements of the Grantee (or, if so required by the World Bank, by independent auditors acceptable to the World Bank in accordance with consistently applied auditing standards acceptable to the World Bank), and the Grantee will promptly furnish PTF and HELVETAS Nepal with a copy of such audited accounts.
- h. The Grantee will make brief quarterly reports on the financial aspects of the implementation of the Sub-Project, semi-annual reports on the progress of the Sub-Project, accompanied by a statement of expenditure showing the use of the Sub-Grant funds and, on Sub-Project completion, a full detailed final report summarizing the implementation of the Sub-Project, including its outcomes and impacts, 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 Sub-Project, together with a copy of any other reports prepared under the Sub-Project.
- i. The Grantee will grant to representatives of PTF, HELVETAS Nepal and the World Bank access to inspect the Sub-Project, its operation and any relevant records and documents. The Grantee further undertakes to prepare and furnish to PTF, HELVETAS Nepal and the World Bank all such information as any of them may reasonably request relating to the Sub-Project and the Sub-Grant.
- j. The Grantee will post this Agreement, the Sub-Project Proposal, the final Sub-Project Completion Report, and the statement of expenditures on the Grantee's website, if it has a website, and PTF and HELVETAS Nepal shall have the right to post on their websites the documents and any other reports received from the Grantee or from its independent evaluation of the Sub-Project. The Grantee acknowledges and agrees that all

² Such Guidelines are available at:
<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,,contentMDK:20060840~pagePK:84269~piPK:60001558~theSitePK:84266,00.html>

³ Such Guidelines are available at:
<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,,contentMDK:20060656~menuPK:93977~pagePK:84269~piPK:60001558~theSitePK:84266~isCURL:Y,00.html>

information provided to PTF and/or HELVETAS Nepal hereunder may be made available by them to the World Bank.

8. The Grantee will be responsible for securing all necessary government approvals (if any) of the Sub-Project and the Sub-Grant and any necessary government filings and for paying any tax liability arising from the Sub-Grant. The Grantee shall compensate PTF and HELVETAS Nepal in the event that either of them or any of their directors, offices, employees, consultants or project advisors suffers any liability or expense as a result of the Grantee's failure to obtain any such required approvals or to pay any such tax liability.

9. This Agreement may be executed in counterparts, and any set of counterparts signed by the parties hereto shall constitute this Agreement and evidence of its due execution for all purposes. The Grantee should deliver its signed counterparts to HELVETAS Nepal. Notices for purposes of this Agreement shall be sent to the notice addresses for each of the parties provided below beneath their signatures. Notices by email to a party's designated email address shall be sufficient for the purposes of this Agreement.

10. The Closing Date for this Sub-Grant will be 31 December 2014. The Closing Date may be extended with the agreement of HELVETAS Nepal and PTF.

11. The responsible HELVETAS Nepal Program Manager in respect of this Sub-Project is Badri Manandhar, email: badri.manandhar@helvetas.org.np or such other Program Manager as HELVETAS Nepal may subsequently notify to the Grantee and PTF. The Program Manager shall be the Grantee's principal point of contact in respect of the Sub-Project.

12: In respect of this Sub-Project, CARTA Program Director is Tjaarda Storm van Leeuwen (email: tpstorm@ptfund.org) and the PTF Project Advisor is Dondon Parafina (email: donsquare@gmail.com) or such other persons as PTF may subsequently notify to HELVETAS Nepal and the Grantee.

13. The Grantee's Sub-Project Team Leader for this Sub-Project is Binod Pant (email: skysamaj.nepal@gmail.com) or such other Sub-Project Team leader as the Grantee may subsequently notify to HELVETAS Nepal and PTF. The Sub-Project Program Coordinator shall be the principal point of contact in respect of the Sub-Project for HELVETAS Nepal and PTF.

14. Each of PTF, HELVETAS Nepal and the Grantee represents and warrants, for the benefit of the other parties, 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.
- b. This Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms.
- c. The information set forth in the Sub-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.
- d. It will comply with all applicable laws in the use of granted funds.

15. This Agreement shall be governed by the laws of the State of New York, in the United States of America, the jurisdiction in which PTF is organized as a not-for-profit corporation. In the event of any dispute between the parties in respect of this Sub-Grant Agreement, the parties shall act in good faith to resolve the dispute through discussions and negotiation, and they may seek the assistance of a third party mediator to assist them in the resolution of the dispute. In the absence of a mutually acceptable resolution, the dispute shall be resolved by arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Agreement. Any the 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:

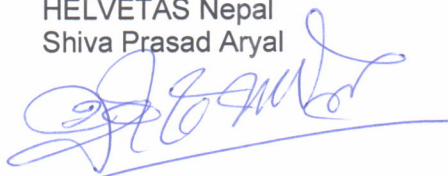
For
The Partnership for Transparency Fund, Inc.
Richard Stern



Address for Notice:

Mailing Address: 1100 15th St., N.W. Suite 420, Washington D.C. 20005, USA
Email Address: info@ptfund.org

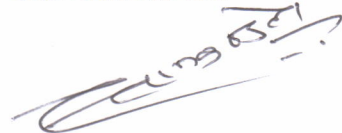
For
HELVETAS Nepal
Shiva Prasad Aryal



Address for Notice:

Mailing Address: Dhobighat-3, Lalitpur, GPO Box 688, Kathmandu, Nepal
Email Address: po@helvetas.org.np

For
SKY-Samaj Nepal
Sita Ram Kandel



Address for Notice:

Mailing Address: Bagdol, Lalitpur, Nepal
Email Address: skysamaj.nepal@gmail.com

Attachments:

1. Revised Sub-Project Proposal, dated 27th January, 2014.