

**Grant Agreement**  
**Between**  
**The Partnership for Transparency Fund, Inc.**  
**And**  
**Transparency International Kenya**

1. **Transparency International Kenya** has requested financial support of **The Partnership for Transparency Fund, Inc.** (PTF) to implement a program for strengthening public accountability and transparency in the delivery of public services in Mombasa, Kenya. The program will be called “**Empowering Citizens to Hold and Demand for Accountability from Duty Bearers**” and will commence from 1 September 2011.
2. Transparency International Kenya has submitted the attached Project Proposal dated August 29, 2011, which includes background information on Transparency International Kenya, 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\$25,600 (United States dollars twenty five thousand six hundred) to be disbursed in three tranches, each for the purposes spelled out in the attached documents. The tranches will be disbursed as follows:
  - a) First tranche of \$13,000 (United States dollars thirteen thousand) to be disbursed on signature of this Grant Agreement.
  - b) Second tranche of \$8,500 (United States dollars eight thousand five hundred) to be disbursed upon receipt by PTF, in form and substance reasonably satisfactory to PTF, of [1] a statement of expenditure, certified by the chief financial officer of Transparency International Kenya, showing the itemized use made of the first tranche funds, and [2] a brief report on progress made in the implementation of the project showing that the following activities, as described more fully in the project proposal, have been completed satisfactorily:
    - a. Holding of two public forums and associated distribution of IEC materials;
    - b. Holding of three two-day forums for municipal leaders and representatives of civil society on anti-corruption strategies; and
    - c. Evidence of a date set for a workshop for initial conceptual framework and guidelines for development of a development pact.
  - c) Third tranche of \$4,100 (United States dollars four thousand one hundred) to be disbursed on receipt from Transparency International Kenya of a satisfactory project completion report that describes and assesses the project achievements, including an assessment of the project’s impact and degree of project success according to criteria to be provided by PTF, and a final statement of project

expenditures, certified by the chief financial officer of Transparency International Kenya.

4. Transparency International Kenya on its part commits to provide counterpart funding of \$2,844 (United States dollars two thousand eight hundred and forty four), or its equivalent in local currency, to make up the balance of the \$28,444 (United States dollars twenty eight thousand four hundred and forty four) estimated total cost of the project, and any additional balances needed to complete the project.
5. The PTF grant will be made available to Transparency International Kenya 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 Transparency International Kenya, 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 Transparency International Kenya to the PTF.
  - d) Transparency International Kenya shall keep a record of all expenditures incurred under the project and will provide PTF, in form and substance reasonably satisfactory to PTF, a full accounting of these expenditures, certified by the chief financial officer of Transparency International Kenya with relevant supporting documentation, [1] following expenditure of the first tranche funds, and [2] on completion of the project, but in any event no later than February 28, 2013.
  - e) Transparency International Kenya 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.<sup>1</sup>

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<sup>1</sup> In the case of grants of \$100,000 or more, these provisions are to be rewritten to require audited project accounts.

- f) PTF shall have the right, upon reasonable notice, to inspect (or to have its designated representatives inspect) the books and records of Transparency International Kenya relating to the project and to the grant.
- g) Transparency International Kenya 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 full 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 may make its own independent ex post evaluation of the implementation, outcome and impact of the project. Transparency International Kenya will furnish the person appointed to undertake this task all possible assistance and access to all relevant documents and personnel.
- i) Transparency International Kenya will post this Grant Agreement, the Project Proposal, the final project report, and the statement of expenditures on the Transparency International Kenya website, and PTF shall have the right to post on its website such documents and any other reports received from Transparency International Kenya or from its independent evaluation of the project.

6. Transparency International Kenya 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. Transparency International Kenya shall compensate PTF in the event that PTF suffers any liability or expense as a result of Transparency International Kenya's failure to obtain any such required approvals or to pay any such tax liability.

7. This Grant Agreement will become legally binding and effective when signed on behalf of Transparency International Kenya and a copy of the signed Agreement is received as a .pdf email attachment addressed to Roger Sullivan, Secretary, PTF at [rsullivan@ptfund.org](mailto:rsullivan@ptfund.org). For all purposes the Grant Agreement shall be evidenced by .pdf copies of counterparts signed by PTF and, separately, Transparency International Kenya 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](mailto:rsullivan@ptfund.org).

8. The responsible PTF Project Advisor in respect of this project is Judith Edstrom, [jedstrom@ptfund.org](mailto:jedstrom@ptfund.org), or such other Project Advisor as PTF may subsequently notify to

Transparency International Kenya. Such Project Advisor shall be Transparency International Kenya's principal point of contact in respect of the project.

9. The responsible Transparency International Kenya project director in respect of this project is Teresa Omondi, [tomondi@tikenya.org](mailto:tomondi@tikenya.org), or such other project director as Transparency International Kenya may subsequently notify to PTF. Such project director shall be PTF's principal point of contact in respect of the project.

10. Each of PTF and Transparency International Kenya 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, Transparency International Kenya represents and warrants, for the benefit of PTF, 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 Transparency International Kenya is organized and operates.

11. 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:

*Sept 8, 2011*

For  
The Partnership for Transparency Fund, Inc.

Roger Sullivan  
Secretary



For

Transparency International Kenya

1. SAMUEL KIMEU  
[Signature]
2. Teresa Omondi  
[Signature]

Dated:

Address for Notices:  
Transparency International Kenya  
Attention: Teresa Omondi  
P.O. Box 198---00200  
Nairobi, Kenya  
Email: [tomondi@tikenya.org](mailto:tomondi@tikenya.org)

Attachments:

1. Project Proposal dated [29 August 2011]
2. Project budget dated [30 August 2011]