

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

**Centre for Public Policy PROVIDUS**

1. Centre for Public Policy PROVIDUS has requested financial support of The Partnership for Transparency Fund, Inc. (PTF) to implement a program for monitoring campaign financing in the upcoming elections in Latvia. The program will be called "Fair election campaign in Latvia" and will be carried out from May 1 2010 through December 31, 2010.
2. PROVIDUS has submitted the attached Project Proposal dated November 19, 2009, which includes background information on PROVIDUS, an operational plan for the project, and a detailed breakdown of costs. PROVIDUS has also responded the PTF's questions on December 7, 2009. (Attached)
3. On the basis of this information, PTF has approved a grant of US\$ 30,000 (United States dollars thirty thousand) 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 \$ 10,000 (United States dollars ten thousand) to be disbursed on signature of this Grant Agreement.
  - b) Second tranche of \$ 15,000 (United States dollars fifteen thousand) to be disbursed once a certified statement of expenditure is received by PTF showing the itemized use made of the first tranche funds accompanied by a brief report on progress made in the implementation of the project showing that the all activities listed on pages 9 and 10 in the Project Proposal with the exception of the last two activities on page 10 have been completed satisfactorily.
  - c) Third tranche of \$ 5000 (United States dollar five thousand) to be disbursed on receipt from PROVIDUS of a satisfactory 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. PROVIDUS on its part commits to provide counterpart funding of \$ 34,922 (United States dollar thirty four thousand nine hundred twenty two.) or its equivalent in local currency, to make up the balance of the \$ 64,922 (United States dollars sixty four thousand nine hundred twenty two) estimated total cost of the project, and any additional balances needed to complete the project.
5. The PTF grant will be made available to PROVIDUS 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 PROVIDUS, 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 PROVIDUS to PTF.
  - d) PROVIDUS 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, and [2] on completion of the project, but in any event no later than March 1, 2011. These expenditures will also be subject to the regular auditing requirements of PROVIDUS, and PROVIDUS will furnish PTF with a copy of the relevant audit if so requested.
  - e) PROVIDUS 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 increasing transparency in campaign financing, it's 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.
  - f) Following project completion, the PTF may make its own independent ex post evaluation of the implementation, outcome and impact of the project. PROVIDUS will furnish the person appointed to undertake this task all possible assistance and access to all relevant documents and personnel.
  - g) PROVIDUS will post this Grant Agreement, the Project Proposal, the final project report, and the statement of expenditures on the PROVIDUS's website, and PTF shall have the right to post on its website such documents and any other reports received from PROVIDUS or from its independent evaluation of the project.
6. PROVIDUS 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. PROVIDUS shall compensate PTF in the event that PTF suffers any liability or expense as a result of PROVIDUS's failure to obtain any such required approvals or to pay any such tax liability

7. The signed copy of this Grant Agreement and the request for the subsequent tranche releases may be sent by email to the PTF Secretary at: danielgritchie@gmail.com. The two original copies of the Grant Agreement should be mailed to Daniel Ritchie, Secretary, PTF, at 1875 Connecticut Avenue, N.W., Suite 1210, Washington, D.C. 20009.

8. The responsible PTF Project Advisor in respect of this project is Lars Jeurling (lajeurling@msn.com) or such other Project Advisor as PTF may subsequently notify to PROVIDUS. Such Project Advisor shall be PROVIDUS's principal point of contact in respect of the project.

9. The responsible PROVIDUS project director in respect of this project is Iveta Kazoka (iveta@providus.lv) or such other project director as PROVIDUS may subsequently notify to PTF. Such project director shall be PTF's principal point of contact in respect of the project.

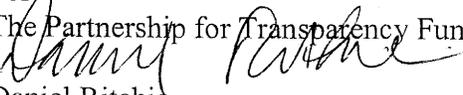
10. Each of PTF and PROVIDUS represents and warrants, for the benefit of the other party, that:

- 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, PROVIDUS represents and warrants, for the benefit of PTF, that 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.

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 is organized as a not-for-profit corporation and in which its 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: March 11, 2010

For  
The Partnership for Transparency Fund, Inc.  
  
Daniel Ritchie  
Secretary

For  
Centre for Public Policy PROVIDUS

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Vita Tērauda  
Director, PROVIDUS
2.   
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Iveta Kazoka

Dated: March 3, 2010

Director, "Fair election campaign in Latvia" project

Address for Notices:  
PROVIDUS  
Attention: Iveta Kazoka  
Alberta 13  
Riga, LV-1010 LATVIA  
Email: [iveta@providus.lv](mailto:iveta@providus.lv)

Providus bank account specification:

Centre for Public Policy PROVIDUS  
Alberta iela 13, Riga LV-1010  
Reg.no. UR 40003613479  
Bank: AS Swedbank  
S.W.I.F.T HABA LV 22  
IBAN USD: LV12HABA0551004016183  
Bank address: Strelnieku 1, LV-1010

Attachments:

1. Project Proposal dated November 16, 2009
2. PROVIDUS response to PTF questions dated December 7, 2009