

**Grant Agreement
Between
The Partnership for Transparency Fund (PTF)
And
CIPPEC of Argentina for its project
"Monitoring Campaign Financing of the 2011 Election"**

1. The Center for the Implementation of Public Policies promoting Equity and Growth (CIPPEC) has requested financial support of the Partnership for Transparency Fund (PTF) for a program to help ensure that the new campaign financing law is implemented properly. The program will be called "Monitoring Campaign Financing of the 2011 Elections: Promoting Government, Media and Political Parties' Compliance."

2. CIPPEC has submitted the attached Project Proposal dated December 21, 2010, which includes background information on CIPPEC, 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\$40,000 (United States dollars forty thousand) to be disbursed in three tranches of US\$15,000, US\$21,000 and \$4,000, each for the purposes spelled out in the attached documents. The tranches will be disbursed as follows:

(a) First tranche of \$15,000 (United States dollars fifteen thousand) to be disbursed on signature of this Grant Agreement.

(b) Second tranche of \$21,000 (United States dollars twenty-one 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 following activities have been completed satisfactorily: the desk review background research, the round of in-depth interviews and the design and planning of the monitoring methodology.

(c) Third tranche of \$4,000 (United States dollars four thousand) to be disbursed on receipt from CIPPEC 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. CIPPEC on its part commits to provide counterpart funding of \$10,000 (United States dollars ten thousand) to make up the balance of \$50,000 (United States dollars fifty thousand) estimated total cost of the project, and any additional balances needed to complete the project.

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5. The PTF Grant will be made available to CIPPEC 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 project design or the use of project funds shall be made only with the prior agreement of PTF.
 - (b) If PTF finds that the grant was not used/being used for the purposes 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 CIPPEC, 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 CIPPEC to PTF.
 - (d) CIPPEC 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 31, 2012. These expenditures will also be subject to the regular auditing requirements of CIPPEC, and CIPPEC will furnish PTF with a copy of the relevant audit, no later than 6 months after the end of its fiscal year. The footnotes to CIPPEC's financial statement will include a schedule showing the PTF grant expenditures.
 - (e) CIPPEC will send to PTF the following reports: (i) a technical report on background research, in-depth interviews and monitoring methodology; (ii) one monitoring report (on the primaries) on authorities, parties, media and government compliance with the new campaign financing regime; (iii) one policy brief presenting the results of the monitoring exercise at the general elections, overall evaluation results and policy recommendations (iv) within two months after completion of the project, 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. This will be accompanied by a certified final itemized statement of expenditure, together with a copy of any other reports prepared under the project (in the original language of publication)
 - (f) Following project completion, PTF may make its own independent ex post evaluation of the implementation, outcome and impact of the project. CIPPEC will furnish the person appointed to undertake this task all possible assistance and access to all relevant documents and personnel.

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(g) CIPPEC will post this Grant Agreement, the Project Proposal, the final project report, and the statement of expenditures on the CIPPEC website, and PTF shall have the right to post on its website such documents and any other reports from CIPPEC or from its independent evaluation of the project.

6. CIPPEC will be responsible for securing all necessary government approvals of the grant, if any, and any necessary government filings. CIPPEC will be responsible for paying any tax liability arising from the grant.

7. The signed copy of the Grant Agreement and the request for the subsequent tranche release may be e-mailed to the PTF Secretary at roger.sullivan@gmail.com. Two original copies of the Grant Agreement should be mailed to Roger Sullivan, Secretary, PTF, at 1875 Connecticut Ave. NW, Suite 1220, Washington DC 20009.

8. The responsible PTF Project Advisor in respect of this project is Stephen Ettinger, SEettinger@ptf.org, or such other Project Advisor as PTF may subsequently notify to CIPPEC.

9. The responsible CIPPEC project director in respect of this project is Julia Pomares, jpomares@cippec.org or such other project director as CIPPEC 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 CIPPEC 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, CIPPEC 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 CIPPEC 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

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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:

24 Feb 2011

For

The Partnership for Transparency Fund

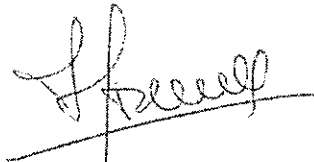


Roger Sullivan
Secretary

Agreed



Fernando Straface, Executive Director
CIPPEC, Argentina



Julia Pomares, Director, Politics and
Public Management Program

Date:

Attachment 1 – Project Proposal, including Project Budget and Timetable of Activities