

**Grant Agreement  
Between  
The Partnership for Transparency Fund  
And  
Transparency International—Czech Republic**

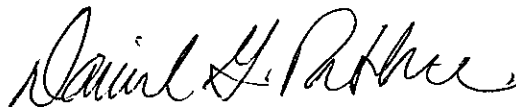
1. Transparency International—Czech Republic (TI-C) has requested the financial support of The Partnership for Transparency Fund (PTF) to develop a methodology and carry out a survey to measure the propensity for corruption in selected institutions in four capital cities of the Visegrad region. The cities are Bratislava, Budapest, Prague and Warsaw, the capitals of four EU-accession countries. The survey will examine the existence of anti-corruption institutions in the administration of these cities (against an "ideal" model) and conduct a perceptions survey among citizens, entrepreneurs, civil servants and elected officials. The results will be summarized into an Index to be referred to as the V4 Index. The Index results will be presented to a roundtable in Warsaw in May 2004. The basic objective of the Index is to encourage high-level commitment and intensified action to combat corruption in these cities.
2. TI-C has submitted the attached project proposal and budget dated February 2004.
3. On the basis of this information, the Partnership for Transparency Fund has approved a grant of US\$13,846 for the purposes spelled out in the attached proposal. The PTF funds will cover about 23% of the project costs. The balance of the funds will be provided by TI-C and its partners in Hungary, Poland and Slovakia, the Embassy of the UK in Prague and Open Society Institute Zug Foundation, represented by Local Government and Public Service Initiative with registered offices in Budapest, Hungary.
4. The PTF grant will be made available on the following conditions:
  - (a) The grant will be used only for the purposes described in the TI-C Project Proposal. Any material changes in the use of Project funds or the Project design shall be made only with the agreement of the PTF.
  - (b) Any funds remaining at the end of the Project shall be returned by TI-C to the PTF.
  - (c) The consultants to be engaged for the Project, including the polling organization, shall be approved by the Board of TI-C. Their terms of reference shall clearly indicate their obligations and outputs.
  - (d) TI-C will keep a record of all expenditures incurred under the Project and will provide PTF a full accounting of these expenditures, with relevant documentation, on completion of the Project, or no later than September 30, 2004. These expenditures will also be subject to the regular auditing

requirement of TI-C. TI-C will furnish the PTF a copy of the relevant audit on request.

- (e) TI-C will provide PTF with full report on the outcome of the Project, including an assessment of its impact, likely sustainability and lessons learned. 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 (in the original language of publication).
- (f) Following project completion, the PTF may make its own independent ex-post evaluation of the implementation, outcome and impact of the project. TI-C will provide all possible assistance and relevant documents to the PTF representative.
5. TI-C will be responsible for securing all necessary government approvals of the grant, if any, and any necessary government filings. TI-C will be responsible for paying any tax liability arising from the grant.
6. PTF will disburse the proposed grant (US\$13, 846) upon receipt of the signed copy of this Grant Agreement that has been approved by the Executive Board of TI-C and signed by its Chairman and Executive Director.
7. The signed copy of the Grant Agreement should be faxed to the Secretary of the PTF at 1 202 522-2653, or a scanned copy Emailed to: [dnlrtch@aol.com](mailto:dnlrtch@aol.com). The original copy of the Grant Agreement should be mailed to Daniel Ritchie, Secretary, PTF at 4355 Klinge St. NW, Washington, DC 20016 USA.

Dated: March 2, 2004

For  
The Partnership for Transparency Fund



Daniel G. Ritchie  
Secretary

Agreed:

  
Executive Director  
Transparency-International—Czech Republic

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Executive Secretary, TI-C



**Pierre Landell-Mills**  
President of Partnership for Transparency Fund  
17 Ridge Hill  
Dartmouth, Devon TQ6 9PE, UK



**Subject: Letter of confirmation**

Dear Sir,

GfK Praha – Market Research Institute is one of the leading suppliers of market research services in the Czech Republic that offers a broad market research portfolio from Adhoc surveys both quantitative and qualitative, to continued Tracking and Panel research too. GfK Praha is also active in the field of surveys focused on the corruption climate measurement. We have even carried out an international sociological survey monitoring the corruption climate in Central and Eastern Europe including 11 countries. The main results of the study were presented on the occasion of the 10<sup>th</sup> International Anti-Corruption Conference, which was organized by the Transparency International in Prague in 2001.

As corruption is a serious negative social phenomenon that effects with a variable intensity all the world, Transparency International now plans to carry out a new project called "City Corruption-Propensity Index". We find the project very interesting and useful because it enables us to gain more information that can be used in fighting corruption. The main objective of the project is to evaluate the functionality of anticorruption institutions in the Visegrád region (V4), to measure the propensity of selected institutions to corruption. The survey will consist of two main parts – qualitative and quantitative survey. The goal of the qualitative part will be to find out the information about the appearance of anticorruption tools in public administration of the V4 capitals. The second part of the survey should monitor how these tools operate.

As GfK Praha finds the project very interesting, we decided to support it. In case of the sufficient budget for the project, we are ready to co-operate with Transparency International and carry out the international survey in the Visegrád region.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michal Ševera', written over a light blue horizontal line.

Michal Ševera

GfK Praha, Geologická 2, 152 00, Prague 5

**Foreign and Commonwealth Office**  
**Global Opportunities Fund - Reuniting Europe Programme**

**GRANT CONTRACT**

The Secretary for State for Foreign and Commonwealth Affairs,  
represented by Deputy Head of Mission in Prague, Michael Tatham, (the "Authority") of  
the one part

and

obcanske sdruzeni Transparency International Ceska republika,  
registered address: Praha 7, Františka Křížka 4, registration number: 6838 0232,  
represented by: Adriana Krmacova, Director, (the "Beneficiary") of the other part

have agreed as follows

**Paragraph 1 – Subject**

1 (1) The subject of this contract is a grant for the implementation of the project entitled:  
**Developing Tools for Tackling Corruption on Regional and Central  
Levels**

The objectives and activities of the project are set out in Annex A (the Terms of  
Reference)

1 (2) The Beneficiary will be awarded the grant on the terms and conditions set out in this  
Contract, and its Annexes (which form an integral part of this Contract), and which the  
Beneficiary hereby declares he has taken note of and accepts.

1 (3) The Beneficiary accepts the grant and undertakes to carry out the project under his  
own responsibility and to the best of his ability and in accordance with Annex A, the  
Project Terms of Reference.

**Paragraph 2 – Duration of project**

2 (1) Implementation of the project will begin on the day following that on which the last  
of the two parties signs this Contract.

2 (2) The project's duration is 12 months and the Beneficiary undertakes to complete  
the project within this period. This includes time for project reporting. Any amendment  
of this period must be agreed by both parties in writing.

**Paragraph 3 - Financing the Project**

- 3 (1) The total cost of the Project eligible for financing is GBP 22 700.  
3 (2) The total amount of the grant is GBP 22 700.

**Paragraph 4 - Reports and Payments**

- 4(1) The project's costing together with a schedule for payment and reporting are set out in Annex B
- 4 (2) All payments are subject to receipt by the Authority of adequate narrative and financial reports. The Beneficiary shall base its reporting on the model reporting formats provided in Annexes C and D. The Beneficiary shall provide one final narrative and one financial report covering the implementation of the project.
- 4 (3) All financial reports must include originals of invoices and receipts. The Authority will return the originals of invoices and receipts to the Beneficiary within one month of the receipt of financial report.
- 4 (4) Items spent against this grant must be clearly identifiable within the Beneficiary's accounts.
- 4 (5) The Authority reserves the right to reclaim at any time within a period of 5 years after the date of this Agreement any grant money which remains unspent at the termination of the project or money spent on purposes which do not fall within the project Terms of Reference in Annex A or project budget in Annex B or which is unaccounted for.
- 4(6) The Authority reserves the right to enter the premises of the Beneficiary, take copies of operation accounts and such other project records as it requests at a time agreed with the Beneficiary upon a minimum notice of three weeks and for a period of up to three years after the completion or termination of the project.

**Paragraph 5 - Monitoring and Evaluation**

The Authority will supervise the progress of the project throughout and reserves the rights to carry out monitoring visits at a time agreed with the Beneficiary upon a minimum notice of three weeks. In this respect the Beneficiary agrees to co-operate with the Authority and its servants or agents.

**Paragraph 6 - Amendment of the Contract**

This contract may be amended only by written agreement of the parties.

**Paragraph 7 - Termination of the Contract**

- 7(1) The Authority reserves the right to terminate this contract, upon one month's written notice to the Beneficiary, inter alia in the following circumstances
- For failure to implement the project according to Annex A of this contract
  - For material breach by the Beneficiary of any of the terms of this contract
  - By reason of force majeure
- 7(2) Until the date on which termination takes effect, the Beneficiary will continue to implement the project to the best of his ability, unless the Authority requires otherwise.

**Paragraph 8 – Acknowledgement of Funding**

The beneficiary undertakes to acknowledge the contribution of UK Government's Global Opportunities Fund on materials it produces in the course of the project (including information available in electronic format) and at all public events.

**Paragraph 9 -Liability**

9(1) The Beneficiary undertakes to provide adequate supervision of and care for its staff, agents and visitors and accepts that, in no circumstances, will the Authority be responsible for the acts or omissions of the Beneficiary's staff, agents or visitors or for any loss or liability arising as a result of the project, which remains the entire responsibility of the Beneficiary.

**Paragraph 10 - Applicable Law**

This Agreement shall be governed by and construed in accordance with English law.

Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause. It is agreed:

- (a) the tribunal shall consist of one arbitrator;
- (b) the seat of the arbitration shall be England and the place of arbitration shall be London; and
- (c) the language of the arbitration shall be English.

Authority:

Signed:



Dated:

18 / 8 / 2003

Beneficiary:

Signed:



Dated:

21. 8. 2003

<b>Annex A</b>	<b>The Project Terms of Reference</b>
<b>Annex B</b>	<b>The Project Budget</b>
<b>Annex C</b>	<b>Narrative Reporting Format</b>
<b>Annex D</b>	<b>Financial Reporting Format</b>

## ANNEX A

### TERMS OF REFERENCE

#### 1. Project description

The Beneficiary agrees to implement the project described below with the use of the grant awarded as set out in this contract.

#### Developing Tools for Tackling Corruption at Regional and Central Level

The project aims to contribute towards improvement of ethics and transparency in governance and in public-private partnerships. The proposed initiative combines three mutually complementary elements of working against corruption:

##### I. New law on conflict of interests in the Czech Republic

The currently existing law on conflict of interest does not provide a good basis for tackling corruption. For example, the recently established regional administrations are not handled by the law. The law also does not establish any punitive action for cases of detected corruption. Draft law prepared by TI in co-operation with legal experts and a group of senators is to be submitted to the Parliament in October 2003.

It is from a large part based on the currently existing UK law, especially by including the Register of Interests for the lower-house MPs. The draft law is currently in a consultation process with wide lawyer community in order to avoid technical shortcomings. The draft has also already been approved by the legislative committee of the Senate.

Prior to the submission, TI will run a series of meetings and roundtables with regional and municipal politicians and lawyers to gain support for the draft law. A final public seminar will be held in the parliament shortly before the start of the parliamentary debate. This seminar will include two speakers from the Standards Board, UK, as well as speakers from Germany and Slovakia. The final version of the draft law will be presented at the seminar. Parallel to the co-operation with politicians and experts, TI will also lead an information campaign for the public to ensure wide attention to the parliamentary debate on this law. This will include distribution of free postcards and informative handouts. An opinion poll will be organised to provide the politicians with a view from the public prior to the parliamentary vote.

##### II. Transparency index for Visegrad 4 capital cities

This is a follow up process to a recent conference on tackling corruption in the V4 countries. The four capital cities have agreed to act as leaders in tackling corruption at municipal level. They have admitted to undergo the process of transparency indexing. Corruption indexes are the easiest and most straightforward way to provide reference on corruption to the public as well as the concerned state institutions.

The construction of the index will combine analysis of actual relevant rules and procedures applied in the four municipal administrations and views of the public. The outcome will therefore be a number showing the actual existing potential for corruption

in each of the capitals. The four significant municipal administrations will compete in this way to prove best practice. This will serve as a very well visible example of good practice and as motivation for other municipalities in the respective countries. Once prepared, the index methodology can be further used in other municipalities and in regional administrations.

The completed indexes of the four cities will be widely publicised and the transparency index use explained to the public in the four countries. Information on the results will be exchanged and compared between the four countries. This should result in the public demanding transparency from their local governments. It should also support the inclusion of more transparent structures into legislation.

### III. Transparency in Business

The final segment of the project is to involve the business community in the complex process of building tools against corruption. The activity should achieve the engagement of businesses, especially regional businesses in adoption of business ethics principles and support the efforts towards transparent business. To assist the interested businesses, Transparency offers their methodological publication Business free of bribery - Basic principles. This set of anti-corruption principles and procedures for businesses plus consultations are available from TI for interested businesses free of charge. Co-operation will also be initiated with regional governments in order to ensure, that businesses committed to transparent business principles should have a preference in public tenders. This approach will correspond with Czech Republic's commitment to OECD convention on transparent business environment.

A national seminar focused on a group of carefully selected 30 active politicians will introduce the publication and will explain its links to the OECD convention. The participating politicians will be encouraged to come up with concrete central solutions of putting in practice the OECD convention and supporting those businesses, which commit themselves to ethical principles. The invited politicians were selected on the basis of their interest and commitment to take an active part in asserting transparent practices and structures in the Czech public administration.

A series of 6 regional seminars will follow. These will involve presenters directly from businesses and will be aimed at regional business and regional governments. They will be organised in co-operation with regional business chambers and representatives of major businesses. The aim of this whole project segment is to raise a "movement" towards transparent business behaviour. Wherever possible, TI will contact consumer groups to support their effort. However, consumer movement has not been strong in the Czech Republic so far and has not been involved in issues of corruption at all.

UK co-operation will feature all throughout the project. All printed documents will note the UK support. Embassy representatives will be invited to key events for opening speeches and will be included in press conferences. UK good practice will be promoted throughout information campaigns. UK businesses are involved in the project element on transparent businesses.

- **Outputs to be delivered**



### Law on conflict of interests

All MPs and senators will be engaged in the debate regarding the new law and will become well aware of details of corruption occurrence in public administration

Public will be widely alerted of the upcoming vote and will be explained the current needs with regard to conflict of interest issues

Conditions will be created for the law to have better chance of yes vote. This will be on the basis of objective need for a new law (demand has been expressed by local institutions as well as the international community) as well as positive expert evaluations of the currently proposed draft law

### Transparency index for Visegrad capitals

Four capital cities demonstrate transparent approach in local politics

International experience with local government indexing and typical corruption problems available, exchanged and evaluated

Attention raised from public by engaging public in the index preparation (public pole) and by widely publicising the indexing outcomes

### Transparency in business

Regional businesses aware of transparency advantages, engaged in the nation-wide effort towards transparent public-private relationships

Central and regional politicians urged to support businesses committed to ethical business with regard to OECD convention

- **Outcomes in short to medium term,**

Specific tools for monitoring or tackling corruption developed, the public encouraged to demand transparent public administration, key institutions, politicians and businesses brought to co-operation. New law adopted.

- **Longer term impact**

Number of cases of corruption decreased and prevented. Number of businesses actively promoting transparent businesses increased.

- **Exit Strategy and Sustainability**

The project will produce sustainable tools for control of corruption – the law and the index. It will also engage a wide range of politicians into the effort for transparency and will draw significant attention of broad public to the problem of corruption. These two elements will form a good basis for sustainability of the project outcomes. The developed tools can be freely used by institutions all over the Czech Republic.

## **2. Costs**

Project finances are specified in Annex B.

### 3. Administration, monitoring

The Beneficiary reports to the British Embassy in Prague. The contact person for this project is:

Veronika Divisova

Project Officer

Thunovska 14

118 00 Praha 1

tel: +420 257 40 2241

[veronika.divisova@fco.gov.uk](mailto:veronika.divisova@fco.gov.uk)

The Beneficiary should keep the project officer informed of upcoming key events of the project.

## ANNEX B

### Project Finances

#### 1. Project budget

The Grant will not exceed the total amount of the budget. Any changes within the existing budget must be authorised by British Embassy officer in advance. The project budget is as follows:

• Personnel Costs	
Two part time project managers	£2500
Part time lawyer	£340
<u>Subtotal</u>	<u>£ 2840</u>
• Travel and Accommodation	
Local travel and accommodation for project managers for 10 months	£ 3140
Overseas and local travel and accommodation for 3 UK experts	£ 1590
<u>Subtotal</u>	<u>£ 4730</u>
• Capital (e.g. IT)	0
• Sundry Operational (telephone, fax, room rental etc)	
Room rentals, equipment and refreshments for up to 15 events	£ 3400
Communication, website maintenance	£ 1290
<u>Subtotal</u>	<u>£ 4690</u>
• Administration/ management (ideally no more than 10%)	
<u>Subtotal</u>	<u>£ 1350</u>
• Other (specify)	
Services:	
Interpreting	£1250
Advertising	£ 910
Opinion Polls	£4772
Media Monitoring	£ 113
Production of printed materials	£1705

Reporting	£340
<u>Subtotal</u>	<u>£ 9090</u>
<u>Budget Total</u>	<u>£ 22 700</u>

## 2. Payments

Grant will be transferred by the Authority to the bank account of the Beneficiary.  
Bank details of Beneficiary:

Bank address           Ceskoslovenska obchodni banka , a.s.  
                              Perlova 5, 110 00 Praha 1

Account holder        Transparency International - CR

Account number       131 842 654/0300

Payment of the grant will be done in two instalments:

First instalment in the amount of £11500 will be transferred no later than one month after the date of this contract.

Second instalment in the amount of £11200 will be subject to satisfactory monitoring of the project progress by the Authority. Indicative timing of the transfer of second instalment is November 2003. Exact timing of the monitoring and the bank transfer will be agreed between the Beneficiary and the contact person at the British Embassy (see annex A).

Log-In ID:	40005761
Project Code:	L3848

## OPEN SOCIETY INSTITUTE ZUG FOUNDATION (OSI)

c/o-Dr. Suzanne Wettenschwiler  
Baarerstrasse 12, CH 6300 ZUG, Switzerland

### CONTRACT FOR RECEIPT OF OSI FUNDING

Grant Recipient:	Transparency International, Czech Republic
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Address:	Frantiska Krizka 4, 170 00 Prague 7, Czech Republic
Phone:	420 233 382 841,
Fax:	420 233 378 900
E-mail:	walek@transparency.cz
Responsible Person:	Ms. Adriana Krnacova

Project Name:	City Corruption - Propensity Index
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The purpose of the grant is to fund a regional project aimed at developing a new corruption measurement index at the local level.

#### Description of project:

The project goal is to employ one of the two most widely used corruption measurement mechanisms 'examination of institutions' to measure the level of corruption at the local level in four Visegrad countries (V4), Czech Republic, Slovak Republic, Poland and Hungary.

The aims of the project are:

- 1) To design an innovative survey methodology that will establish the existence and evaluate the functionality of anticorruption institutions ('corruption propensity') in the public administration on the local and regional levels;
- 2) To establish the existence and evaluate the functionality of anticorruption institutions in the public administration of the V4 capitals, and rank the capitals according to the quality of the anticorruption institutions in their administration;
- 3) To raise awareness of the public with respect to the problem of corruption on the level of V4 capital cities public administration.

The project will only look at the capital cities of the target countries. Transparency International Czech Republic (TIC) has decided to survey the capital cities of the V4 Region for the following reasons:

- 1) The cities are capitals of four EU-entering countries that lie at the heart of Europe. The assumption is that the problems of the cities overlap to a large extent, and, therefore, a comparison of the cities is possible.
- 2) Prague, Warsaw, Bratislava and Budapest are capitals of countries that - despite having shared interest - are rivals in certain aspects, too (e.g. foreign direct investment). The positive rivalry among those cities should raise the anticorruption effort of those cities scoring lower in the proposed CCPI.
- 3) TIC has recently initiated an anticorruption co-operation among the V4 capital cities by starting up a series of annual anticorruption roundtables called 'Corruption-Free Town Halls in the V4 Region'. The first roundtable took place at the beginning of February in Prague (the next one will be held next year in Warsaw). As one of the outcomes of the Prague roundtable, it was proposed to carry out a survey of corruption in the represented capitals on a comparative basis.

OSI intends to give support for the above mentioned activity.

Grant Period:	From December 1, 2003 to October 1, 2004
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Grant award amount:	27,685.00 USD
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The grant will be transferred in the following installments:	
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Date	Amount
December 2003	13,843.00 USD
March 2004	13,842.00 USD

Bank name:	Ceskoslovenska Obchodni Banka, Prague - Perlova Branch
Bank address:	Perlova 5, 110 00 Prague 1, Czech Republic
Bank account holder:	Transparency International, Czech Republic
Bank account number:	131842654/0300
SWIFT code:	CEKO CZ PP

In consideration for the grant described above Transparency International, Czech Republic (hereinafter referred to as "RECIPIENT") agrees to the following:

1. The term of the grant shall be for 10 months, commencing on December 1, 2003.
2. The maximum amount of the grant shall be 27,685.00 US dollars, i.e. twenty-seven thousand six hundred and eighty-five US dollars, provided on a 1:1,5 matching-funds basis.
3. The grant shall be used according to the approved grant budget and proposal, which are attached.
4. If OSI determines that the RECIPIENT is in violation of any of the provisions of this agreement, then OSI shall, at its sole discretion, have the right to terminate this agreement and shall be entitled to a reimbursement of any or all funds paid to RECIPIENT under this agreement.
5. Transfers between budget categories by RECIPIENT shall be permitted without prior approval from OSI if they do not exceed 10 percent of the "Transferred From" category and also do not exceed 10 percent of the "Transferred To" category. Transfers exceeding this limit shall only be permitted if prior written approval has been received by RECIPIENT from OSI.
6. RECIPIENT shall be fully responsible, liable and accountable for all sums received under this grant. This provision shall not be interpreted as limiting the liability of any parent or affiliated organization.
7. No later than thirty (30) days prior to the disbursement of the second installment payment, RECIPIENT shall submit to OSI a written progress report including a narrative report detailing progress made in achieving the Project's goals, and an interim financial report accounting for expenditures to date, including expenditures made on behalf of the Project. The interim financial report should follow the structure of the attached budget referred to above. Expenses incurred in local currency under the grant shall be translated into US dollars for reporting purposes to OSI using historic or average foreign exchange rates calculated for the term of the grant. Such a report should also include a statement of the grants received from other sources of funding that qualify as matching support as stipulated by Paragraph 2 of the present contract. The second installment shall not be disbursed until the reports are received by OSI. OSI reserves the right to withhold the payment of the second installment if the narrative report or the interim financial report indicates that the RECIPIENT is not in compliance with the terms of the Project.

*Mouk E. Halder*

OSI

*[Signature]*

RECIPIENT

8. Within thirty (30) days of the termination of the grant period as described in Paragraph 1 above, or after the completion of grant activities, whichever comes first, RECIPIENT shall submit to OSI a final report. The final report should contain a final narrative report on the RECIPIENT's accomplishments with regards to the goals and objectives of the Project, and a copy of each item of written, audio or video material, produced as part of the Project described on Page 1 of this contract. The final report should also contain a final financial report accounting for expenditures for the entire Project, including expenditures made on behalf of the Project. The final financial report should follow the structure of the attached budget referred to above. Expenses incurred in local currency under the grant shall be translated into US dollars for reporting purposes to OSI using historic or average foreign exchange rates calculated for the term of the grant. Such a report should also include a statement of the grants received from other sources of funding that qualify as matching support as stipulated by Paragraph 2 of the present contract as well as a summary of expenses incurred against these grants - following the structure of the attached budget referred to above. If the final report is not received within the thirty (30) day period, RECIPIENT may, at OSI's sole discretion, be required to repay to OSI those parts of the total grant that are not covered by reports and may, at the sole discretion of OSI, be ineligible to receive another OSI grant.

9. RECIPIENT shall maintain receipts and invoices for all matters pertaining to this grant, and shall keep these available for inspection or audit by OSI or its designee for five years following the termination date of the grant. OSI, at its sole discretion, may perform its own audit of RECIPIENT's records at any time during the Grant Period. RECIPIENT shall, if requested by OSI, have an independent audit performed on the entire organization at the expense of OSI. Such an audit shall include, and shall so indicate in the audit report, the OSI portion of RECIPIENT's operations. Furthermore OSI, at its sole discretion may request RECIPIENT to submit a transaction-detail report supporting actual expenses reported in the interim and final financial reports referred to in Paragraphs 7 and 8 above as well as supporting documentation of any items listed in the transaction-detail report.

10. Any unspent funds from the grant shall be returned by RECIPIENT to OSI within thirty (30) days of the end of the grant period as defined in Paragraph 1 above. These funds shall be returned by wire transfer to the following bank account:

Account name: Open Society Institute Zug Foundation  
Bank: Raiffeisenbank Rt.  
Bank Address: Akademia utca 6, Budapest H-1054 Hungary  
SWIFT: UBRT HU HB  
IBAN: HU47120010080019116800200000 (USD)  
IBAN: HU05120010080019116800500001 (EURO)

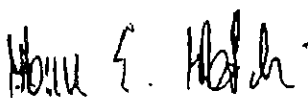
11. RECIPIENT shall be responsible for all salary, social security, legal, and taxation matters related to the execution of the Project and expenditure of the grant.

12. OSI support will be acknowledged in all appropriate literature and advertisements related to the Project, and other venues where sponsor contributions are mentioned. It shall be done by citing "OPEN SOCIETY INSTITUTE". Any other use of OSI's name shall not be made without express written approval from OSI.

13. RECIPIENT has no authority to act as an agent of OSI, and RECIPIENT shall not enter into any contract on behalf of OSI, or bind OSI in any way without express written authority from OSI. RECIPIENT shall hold OSI harmless from any damage or injury of any kind resulting from or caused by any act or omission of RECIPIENT.

14. This agreement shall be interpreted in accordance with the laws of Zug, Switzerland, and any legal proceeding arising out of this agreement shall be brought in the courts of Zug, Switzerland.

Date: November 24, 2003, Log-ID: 40005761  
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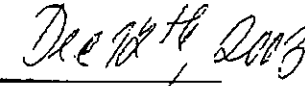
OSI


  
RECIPIENT

15. This agreement represents the final and complete understanding of the parties related to the Project and any prior agreements or understandings inconsistent with the terms of this agreement are null and void.

The parties below, intending to be legally bound, do hereby agree to the above stated terms.

  
\_\_\_\_\_  
Ms. Adriana Krnacova, Executive Director  
Transparency International, Czech Republic

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Authorized Signatory  
Open Society Institute Zug Foundation

2003 NOV 20  
\_\_\_\_\_  
Date

**FOUNDATION OSI Zug**  
Baarerstrasse 12  
CH-6300 Zug, Switzerland