



GRANT AGREEMENT

November 19, 2013

Funding Approval Acknowledgment & Receipt

Participatory Rural Development Society (“PRDS” or “Grantee”) here by acknowledges that the Association for the Development of Pakistan Inc. (“ADP”) will fund up to PKR 1,171,976 (the “Grant”) in up to three tranches for the uses outlined below. Additionally, PRDS acknowledges the receipt of PKR 258,995 as the first tranche disbursement vis-à-vis the Grant.

Permissible Uses of the Grant

The Grant may only be used for non-profit purposes as defined by Section 501 of the United States Internal Revenue Code (“IRC”). The Grant is for the sole expressed purpose of funding the list of items identified in the attached budget (“Exhibit A”). All other uses or expenditures are expressly forbidden without ADP’s written consent.

Certification Regarding Terrorist Financing

Grantee agrees that release of the Grant by ADP depends upon the execution of the “Certification Regarding Terrorist Financing Implementing Executive Order 13224” (“Exhibit B”) by the Grantee.

Representations Made by Grantee

Grantee represents the following to ADP:

1. Grantee is a non-profit entity and functions as a non-profit as defined by Section 501 of the US IRS.
2. Neither Grantee nor any of its officers or directors are or have ever been engaged in funding, preaching, promoting, or in any way facilitating, directly or indirectly, any terrorist activity, violent political activity, or other activity that is illegal under any applicable law.
3. The names of Grantee, its Board members, shareholders, members, officers, senior employees, and any organization through which Grantee conducts business do not appear, as of the effective date of this agreement, on any of the lists referenced in Exhibit C. Grantee does not have any other affiliation, including but not limited to the direct or indirect receipt or contribution of funds, with the persons or organizations named on said lists as of the effective date of this agreement.

ADP Liability

Grantee agrees to indemnify, defend, and hold ADP harmless from and against any losses, claims, liabilities, damages, costs, or expense of any kind (including reasonable attorneys’ fees) which arise out of, relate to, or are in any way connected with the Grant, any expenditure therefrom, and any acts of Grantee or any of its personnel.



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Grantee Deliverables

Grantee shall deliver the following to ADP at the specified dates:

1. Receipts for all expenditures over PKR 1,000
2. Report A: Two weeks after receiving the first Tranche
3. Report B: Three weeks after receiving the second Tranche
4. Report C: Three weeks after receiving the third Tranche
5. Report D: Recurring (every 3 months up to one year after completion of project)

In addition, Grantee will facilitate the visit by an authorized representative of ADP to the project site after receipt of a three-day notice. Also, Grantee will notify ADP of any material changes to the project that will adversely affect the outcome of the project. Such materials changes shall include, but are not limited to, changes in Grantee project management team, conflicts between Grantee and the community and meaningful deviation in the use of the pumps from current expectations.

ADP is very excited about funding the Grant and is looking forward to working with PRDS in the future. The date on which PRDS executes this agreement shall be recorded as the "Effective Date" of the contract. Grantee shall remit to ADP an executed copy of the agreement prior to any release of the Funding.

Sincerely,

ASSOCIATION FOR THE DEVELOPMENT
OF PAKISTAN INC.

By: *Tarim Wasim*

Name: TARIM WASIM

Title: TREASURER

Date: DEC. 4, 2013

Acknowledged and agreed:

PARTICIPATORY RURAL DEVELOPMENT SOCIETY

By: *Fareed Ullah*

Name: Chief Executive Officer

Title: 19 Nov. 2013

Date:



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Exhibit A

PRDS Hand Pump Project - Budget						
Amounts in PKR						
Sr. No.	Description	Share	Qty	Unit	Unit Rate	Amount
1	Daccar Hand Pump	ADP	1	no.	11,990	11,990
2	Excavation/closed boring (6 inch diameter)	ADP	90	ft	300	27,000
3	IN Solution 118 MI, Box Spanner , fishing tool, rope	ADP	1	no.	630	630
4	63 mm E Class UPVC Pressure Pipes (13ft)	ADP	7	Pipes	596	4,172
5	4" B Class KAWSAR uPVC Pressure Pipes (Grey)	ADP	7	Pipes	1,116	7,812
6	Filling material (mixture of sand and stone)	ADP	1	no.	1,500	1,500
7	Concrete liner (cement ring)	ADP	2	no.	350	700
8	Chuck wall	ADP	2	no.	400	800
9	Cement	ADP	1	bag	550	550
10	Sand	ADP	1	bag	400	400
11	Crush	ADP	1	bag	700	700
11	Stamp paper	ADP	2	no.	40	80
Total material cost - 1 hand pump (A)						56,334
12	Labour Cost:	ADP				
a.	Installation of hand pump	ADP	1	no.	1,000	1,000
b.	Petrol for generator	ADP	10	liter	105	1,050
c..	Generator Rent	PRDS	1		1,000	1,000
d.	Labour	Community	2	day	500	1,000
e.	Transportation cost for material	ADP	N/A	For one pump	N/A	1,400
Total labour cost - 1 hand pump (B)						5,450
Total material and labour cost - 1 hand pump (A + B)						61,784
Total material and labour cost - 14 hand pumps (I)						864,976
Operation and Management Costs						
1	Co-ordinator	PRDS	4	month	30,000	120,000
2	Field Engineer	ADP	4	month	30,000	120,000
3	Social mobilizer	ADP	4	month	30,000	120,000
4	Transport cost, selection of area & monitoring	ADP	4	month	18,000	72,000
5	Water quality tests	ADP	1	test	5,000	5,000
Total operation and management costs - 14 hand pumps (II)						437,000
Total Project Cost (I + II)						1,301,976
NGO's Share (Generator+1Staff) - 14 Hand Pumps						121,000
Community Share (Labour) - 14 Hand Pumps						14,000
Total Project Costs to be borne by ADP						1,166,976



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Tranches

Consistent with most ADP projects, the funding for this project will be disbursed in tranches. The first tranche will cover the cost of three (3) hand pumps in Charsadda, in addition to the cost for conducting water quality tests on these hand pumps. Further funding will be at the discretion of ADP, and will depend on the implementation of the first three (3) hand pumps by PRDS and the results of a water quality test by a recognized testing lab, amongst other factors.

The second and third tranches will cover the pro-rata cost of eleven (11) additional hand pumps. The tranche amounts are based on ADP's share as detailed in the itemized budget listed in Exhibit A.

Tranche #1

#	Item	Per Unit Cost	Quantity	Amount
	Pro-Rata Share for Each Hand			
1)	Pump	82,998	3	248,995
2)	Water Quality Tests	5,000	2	10,000
3)	Total Tranche Amount			<u>258,995</u>

Tranche #2

#	Item	Per Unit Cost	Quantity	Amount
	Pro-Rata Share for Each Hand			
1)	Pump	82,998	5	414,991
2)	Total Tranche Amount			<u>414,991</u>

Tranche #3

#	Item	Per Unit Cost	Quantity	Amount
	Pro-Rata Share for Each Hand			
1)	Pump	82,998	6	497,990
2)	Total Tranche Amount			<u>497,990</u>
Total Amount of Tranches 1, 2 and 3			14	<u>1,171,976</u>

Note: All amounts in Pak Rupees.



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Land Agreements

As a pre-requisite to funding, PRDS will provide copies of Agreements (on stamped paper) signed by:

1. Community elders; and
2. Land owners (in case the hand pumps are located on private land)

These Agreements will acknowledge that the hand pumps are for the benefit of all residents who have access to these pumps and no one party will unfairly monopolize or have special privilege for the usage of these hand pump facilities.



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Exhibit B

**CERTIFICATION REGARDING TERRORIST FINANCING
IMPLEMENTING EXECUTIVE ORDER 13224**

By signing and submitting this application, Participatory Rural Development Society (“PRDS” or “Grantee”) provides to the Association for the Development of Pakistan (“ADP”) the certification set out below:

1. Grantee has not provided, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts.
2. Specifically, in order to comply with its obligations under paragraph 1, Grantee will take the following steps:
 - a. Before providing any material support or resources to an individual or entity, Grantee will verify that the individual or entity does not appear:
 - i. on the master list of Specially Designated Nationals maintained by the U.S. Treasury’s Office of Foreign Assets Control, which is available online at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>;
 - ii. on the United Nations’ Al-Qaida Sanctions List maintained by the UN Security Council Committee established pursuant to resolutions 1267 and 1989, which is available online at http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml;
 - iii. or on any supplementary list of prohibited individuals or entities that may be provided by ADP to Grantee.

Grantee also will verify that the individual or entity has not been designated by the United Nations Security Council (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the “1267 Committee”) [individuals and entities linked to the Taliban, Usama bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, Grantee should refer to the consolidated list available online at the 1267 Committee’s website (<http://www.un.org/sc/committees/1267/consolidatedlist.htm>).



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- b. Before providing any material support or resources to an individual or entity, Grantee will consider all information about that individual or entity of which it is aware or that is available to the public.
 - c. Grantee will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.
3. Definitions.
- a. **“Material support and resources”** means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.
 - b. **“Terrorist act”** means:
 - i. an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site, http://treaties.un.org/Pages/DB.aspx?path=DB/studies/page2_en.xml&menu=MTDSG); or
 - ii. an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or
 - iii. any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.
 - c. **“Entity”** means a partnership, association, corporation, or other organization, group or subgroup. This Certification is an express term and condition of any agreement issued as a result of this application, and any violation of it shall be grounds for unilateral termination of the agreement by ADP prior to the end of its term.



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Acknowledged and agreed:

Participatory Rural Development Society

By: ~~Fareed Ullah~~
Name: Chief Executive Officer
Title:
Date: 19 Nov. 2013



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Exhibit C

Lists of persons or organizations deemed to be or suspected to be associated with terrorist acts.

1. The Specially Designated Nationals list of the United States Department of Treasury's Office of Foreign Assets Control (<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>).
2. The Terrorist Exclusion List of the United States Department of Justice (www.state.gov/j/ct/rls/other/des/123086.htm).
3. The Foreign Terrorist Organizations maintained by the United States Secretary of State (www.state.gov/j/ct/rls/other/des/123085.htm).
4. Lists annexed to Executive Orders of the United States President (e.g., www.state.gov/j/ct/rls/other/des/122570.htm).
5. The United Nations' Al-Qaida Sanctions List (http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).



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Report A

Report A is due after two (2) weeks of receiving the first tranche.

Report A shall contain the following items:

1. A comprehensive report on the installation/operation of the hand pumps which shall include the following details:
 - a. Location of the hand pumps
 - b. Rationale for selecting the locations
 - c. Depth reached during manual drilling
 - d. Any pictures of the construction in progress
 - e. Final pictures of the hand pumps in their final locations
 - f. Any issues/ concerns that arose during the installation process
2. An estimate of how many households/individuals are relying on the hand pumps.
3. Results of the Water Quality Tests.
4. Receipts for the amount of PKR 1,000 or higher.



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Report B

Report B is due after three (3) weeks of receiving the second tranche.

Report B shall contain the following items:

1. A comprehensive report on the installation/operation of the hand pumps which shall include the following details:
 - a. Location of the hand pumps
 - b. Rationale for selecting the locations
 - c. Depth reached during manual drilling
 - d. Pictures of the construction in progress
 - e. Pictures of the hand pumps in their final locations
 - f. Any issues/ concerns that arose during the installation process
2. An estimate of how many households/individuals are relying on the hand pumps.
3. Description of the visual/taste test of the water quality of the hand pumps.
4. Records of monthly community contribution that is planned at PKR 20 per household.
5. Receipts for the amount of PKR 1,000 or higher.



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Report C

Report C is due after three (3) weeks of receiving the third and final tranche.

Report C shall contain the following items:

1. A comprehensive report on the installation/operation of the hand pumps which shall include the following details:
 - a. Location of the hand pumps
 - b. Rationale for selecting the locations
 - c. Depth reached during manual drilling
 - d. Pictures of the construction in progress
 - e. Pictures of the hand pumps in their final locations
 - f. Any issues/ concerns that arose during the installation process
2. An estimate of how many households/individuals are relying on the hand pumps.
3. Description of the visual/taste test of the water quality of the hand pumps.
4. Records of monthly community contribution that is planned at PKR 20 per household.
5. Receipts for the amount of PKR 1,000 or higher.
6. Details on any hand pump-maintenance training provided to community members.
7. Comments/observations on how the hand pumps are making an impact on the lives of the residents of Shenky and Cheena.



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Report D

Up to one year after the completion of the project, PRDS shall provide a Report D on a quarterly basis (every three months). The Report shall include the following items:

1. Condition of all 13 hand pumps.
2. Records of any maintenance or repairs conducted on the hand pumps. This shall include the cost of the repairs and details on whether a technician or a community member implemented the said repairs.
3. Records of the monthly fee collection from the community (either Bank statements or PRDS's internal records).
4. Estimated number of community members utilizing the facilities (each hand pump should have its own estimate).
5. Any other information regarding the usage of the pumps deemed important by PRDS.