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**AGREEMENT**  
**between**  
**THE GOVERNMENT OF THE REPUBLIC OF FINLAND**  
**and**  
**THE ANDEAN COMMUNITY**  
**on the Installation Phase of the co-operation in the Biodiversity**  
**Regional Program in CAN Member Countries Andean-Amazon**  
**Regions (BIOCAN)**



Lima, June 2007

**AGREEMENT**  
**between**  
**THE GOVERNMENT OF THE REPUBLIC OF FINLAND**  
**and**  
**THE ANDEAN COMMUNITY**  
**on the Installation Phase of the co-operation in the Biodiversity Regional Program in**  
**CAN Member Countries Andean-Amazon Regions (BIOCAN)**

The Government of the Republic of Finland (Finland), represented by the Ministry for Foreign Affairs of Finland, and the Andean Community (CAN), represented by the General Secretariat of the Andean Community (SGCA), jointly referred to as "the Parties".

**DESIRING** to strengthen the friendly relations existing between the two Parties and their peoples;

**RECALLING** the Millennium Declaration and the Millennium Development Goals;

**CONFIRMING** the eradication of extreme poverty as the main objective for the co-operation between the Parties;

**REAFFIRMING** their commitment to harmonisation of development cooperation activities;

**HAVING SIGNED** a Memorandum of Understanding with the general objective to express the mutual interest of the participants in combining their institutional capacity to promote sustainable development and strengthen regional integration for the benefit of the population in the Andean Community region.

**CONSIDERING** that the Andean Community is a Subregional organization with an international legal status, composed of the sovereign States of Bolivia, Colombia, Ecuador and Peru, and of the bodies and institutions of the Andean Integration System.

**CONSIDERING** that the aim of the Cooperation in the Biodiversity Regional Program in the CAN Member Countries Andean-Amazon Regions (the BIOCAN Programme), is to contribute to the improvement of life quality of populations within the Member countries of the Andean Community in their Tropical Amazon Regions and that the BIOCAN Programme will be executed in two phases: Installation and implementation;

**HAVE AGREED**, in respect of the Biodiversity Regional Program in CAN Member Countries Andean-Amazon Regions, as follows:

**ARTICLE I**  
**Scope and Objective**

1. The Installation Phase of the BIOCAN Programme subject to this agreement, has the objective of obtaining the information and logistic resources necessary for the Implementation Phase, as well as generating an adequate institutional framework for the support of the field activities to be carried out during the Implementation Phase.
2. The Installation Phase of the BIOCAN Programme shall be implemented in accordance with the Framework Document and Budget as of May 2007, and attached as Annex I to this Agreement, as well as in accordance with the annual work plans and budgets to be mutually agreed upon.

3. The overall objective of the Programme is to contribute to the improvement of life quality of populations within the Member countries of the Andean Community in their Tropical Amazon Regions.

## **ARTICLE II**

### **Principles of Co-operation**

1. Respect for human rights, democratic principles, good governance and the rule of law shall form the basis for the co-operation between the Parties and constitute the essential elements of this Agreement.
2. The Agreement shall be implemented in accordance with the principles of transparency and open dialogue.

## **ARTICLE III**

### **Competent Authorities and Implementing Agency**

1. The Ministry for Foreign Affairs of Finland, represented in Peru by the Embassy of Finland; and the General Secretariat of the Andean Community (SGCA), represented by its Secretary General, shall be the Competent Authorities to represent the Parties in matters relating to this Agreement.
2. The responsibility for the implementation of this Agreement lies with SGCA in coordination with the Council of Environmental and Sustainable Development Ministers of the Andean Community.

## **ARTICLE IV**

### **Financing**

1. The contribution of Finland to the implementation of this Agreement shall, on a grant basis and subject to annual parliamentary approval in Finland, be a maximum of one million eight hundred thousand Euros (€ 1 800 000). However, the contribution shall only be used up to the actual amount necessary to cover the costs resulting from the implementation of the Installation Phase of the BIOCAN Programme as specified in the Framework Document.
2. The contribution of SGCA to the implementation of this Agreement shall be in value or in kind, amounting approximately to one hundred thousand Euros (€100 000).
3. The SGCA shall be responsible for the overall coordination of the Member States' counter contribution and participation in the Installation Phase of the BIOCAN programme.

## **ARTICLE V**

### **Procurements**

1. Finland shall procure the supporting services prescribed in the Framework Document and shall conclude a contract with a consulting agency to be agreed upon with SGCA. Other procurements for the Installation Phase of the BIOCAN Programme shall be made as agreed upon between Finland and SGCA.
2. No offer, gift, payment or benefit of any kind, which would or could be construed as an illegal or corrupt practice, shall be accepted, either directly or indirectly, as an inducement or reward for the award or execution of procurement contracts.

3. All procurements shall be made in accordance with generally accepted principles and good procurement practices. Invitations to tender as well as procurement contracts shall, respectively, include a clause on the possibility of the tender being rejected and the contract being cancelled, in case any illegal or corrupt practices have been connected with the award or execution of the contract. Furthermore, the damage or loss caused to the buyer shall, in case of the cancellation of the contract, be compensated by the supplier.

4. Each Party will follow the specific requirements and procedures applicable under its administrative system.

#### **ARTICLE VI Information**

1. The Parties shall:
  - (a) ensure that all relevant authorities and organisations are informed of this Agreement.
  - (b) promptly inform each other of any event or situation which might affect the implementation of the Agreement; and
  
2. Both Parties shall have the right to disseminate information about the Installation Phase of the BIOCAN Programme, including this Agreement, to the general public and other interested parties.
  
3. Any publication or other material produced in connection with the Installation Phase of the BIOCAN Programme shall mention that it is being or has been implemented with the financial contribution of Finland and within the framework of the Finnish development co-operation.

#### **ARTICLE VII Monitoring and Reporting**

The implementation of the Installation Phase of the BIOCAN Programme shall be reported in the manner specified in the Framework Documentation attached to this Agreement. The reports shall be prepared in accordance with the mutually agreed principles.

#### **ARTICLE VIII Evaluating and Auditing**

1. SGCA shall permit the representatives of Finland to carry out any evaluation, inspection or audit in respect of the implementation and after the termination of the Agreement. Such an evaluation, inspection or audit may also be initiated by SGCA.
  
2. Mutually agreed programme planning and evaluation activities shall constitute an integral part of the Installation Phase of the BIOCAN Programme and they shall be governed by the provisions of this Agreement.

#### **ARTICLE IX Consultations**

1. The Parties shall be available to each other for mutual consultations in order to:
  - (a) follow up the co-operation; and
  - (b) assess the attainment of the objectives of co-operation as well as the objectives and purposes of this Agreement.

2. The Parties shall provide each other with all necessary information for the purposes of the consultations.

### **ARTICLE X Suspension**

1. Both Parties shall have the right, after consulting the other Party, to suspend in whole or in part the financing of the Programme if:

- (a) either Party considers that the other Party has failed to fulfil one of the essential elements of this Agreement referred to in Article II.
- (b) the financing by the other Party is not forthcoming in accordance with this Agreement and the Framework Document;
- (c) any other obligation under this Agreement or the Framework Document is not fulfilled;
- (d) the management of the Programme is deemed to be unsatisfactory;
- (e) a condition has arisen which interferes or threatens to interfere with the implementation of the Programme or the attainment of the objectives and purposes of the Programme; or
- (f) the suspension is warranted by a fundamental change in the circumstances under which the Programme was started.

2. The suspension shall cease as soon as the event or events which gave rise to suspension have ceased to exist.

3. Finland reserves the right to claim reimbursement in full or in part of the Finnish contribution if it is found to be misused or not satisfactorily accounted for.

### **ARTICLE XI Commodities and Property**

1. Commodities procured in or imported into a Member State of CAN under this Agreement for the purposes of the BIOCAN Programme shall be at the exclusive disposal of the BIOCAN Programme.

2. The commodities shall become the property of SGCA or a Member State of CAN, according to their location and the mutual consent of SGCA and the Member State in question upon the completion of the BIOCAN Programme, unless otherwise agreed by the Parties.

### **ARTICLE XII Terms and Conditions for Personnel and Commodities**

1. The terms and conditions concerning Personnel and Commodities under this Agreement shall be in accordance with the "Privileges and Immunities Agreement" (Annex II) signed by the Board of the Cartagena Agreement and the Government of Peru on December 29 th, 1971 and enacted by Decreto Ley No. 20175, and with the Peruvian law.

2. SGCA shall accord Consulting Agencies, members of their Personnel and persons employed by Finland, as well as their families, a treatment no less favourable than the one accorded by SGCA to development co-operation agencies and personnel of any other country or international organisation.

3. For the purposes of this Agreement the term "Personnel" means personnel employed by Consulting Agencies as well as persons employed by Finland for the implementation of projects and programmes under this Agreement.

### **ARTICLE XIII**

#### **Terms and Conditions for Consulting Agencies**

1. For the purposes of this Agreement, the term "Consulting Agencies" shall mean any public authority and public or private corporation as well as any organisation, whether public or private, national or international, approved by the Parties and engaged by the Ministry for Foreign Affairs of Finland to provide supporting services for the implementation of projects and programmes.

2. Finland shall pay the fees and costs of the Consulting Agencies, excluding the costs to be covered by CAN or its Member States as set out in paragraph 3 below.

3. SGCA shall provide and bear the costs of suitable office accommodation, communication and other services for Consulting Agencies in the performance of their official duties.

4. SGCA shall use its best endeavours to facilitate, in relation to the Government of Peru and the Peruvian authorities, the Consulting Agencies'

- acquisition of all necessary permits and authorisations including import licenses and other permits for the importation of equipment to be used for the implementation of the programme;
- exemption from professional registration, licensing and other similar requirements or, if necessary, the acquisition of such authorizations
- exemption from tax or other financial declaration obligations
- pursuance of imported equipment to be exempted from all customs duties, taxes and other related charges pertaining to their entry into and exportation from a Member State of CAN, the equipment to be exempted from all import and export prohibitions and restrictions, and ensure prompt and safe reception, berthing, handling, clearing and forwarding as well as storing and further transportation of the imported equipment; and
- registration of vehicles brought into a Member State of CAN.

### **ARTICLE XIV**

#### **Liability**

1. Finland shall not accept any responsibility or liability for any claims, debts, demands, damage or loss as a result of the implementation of this Agreement. SGCA shall bear the risks and facts imputable to its responsibilities arising from the contracts subscribed within the framework of the Installation Phase of the BIOCAN Program under this Agreement.

2. SGCA will answer for any claims which may be brought by third parties against Finland, Consulting Agencies or any member of their Personnel or against a person employed by Finland in accordance with this Agreement.

3. Suspension or termination of this Agreement under articles X and XV shall not release either Party from any obligations towards third parties that they at such time already have committed to in activities related to this Agreement, and it shall not affect the survival of any right, duty or obligation of either Party. In particular, suspension or termination of this

Agreement shall not relieve either Party of its obligation to disburse all payments due to services performed or of its obligations established prior to receiving the written notice of suspension or termination.

**ARTICLE XV  
Amendments and Settlement of Disputes**

1. Should either Party consider it desirable to amend any provision of this Agreement, it may request consultations with the other Party through its Competent Authority. Any amendment shall be agreed upon in writing.
2. Any dispute arising from the implementation or interpretation of this Agreement shall be settled amicably by negotiations between the Competent Authorities.

**ARTICLE XVI  
Duration and Entry Into Force**

1. This Agreement shall enter into force 30 after its signature and remain in force until all the obligations under this Agreement have been duly fulfilled by the Parties, unless terminated earlier by either Party by giving a notice in writing to that effect three months prior to the termination.
2. The SGCA will request a Decision from the Andean Council of Foreign Affairs Ministers to support the Agreement. This request will not affect paragraph 1 above.
3. Upon completion of the Installation Phase the Parties shall study the feasibility and options for the further phases of the BIOCAN Programme.

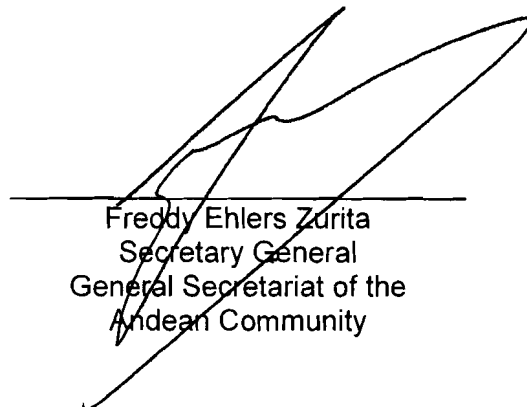
Done in Lima on June 18, 2007 in two originals in the English and Spanish languages. In case of any difference regarding interpretation of the provisions of the Agreement the English text shall prevail.

**On behalf of Government of the  
Republic of Finland**



\_\_\_\_\_  
Kimmo Pulkkinen  
Ambassador  
Embassy of Finland in Peru

**On behalf of the General Secretariat  
of the Andean Community**



\_\_\_\_\_  
Freddy Ehlers Zurita  
Secretary General  
General Secretariat of the  
Andean Community