This Contribution Agreement made:

BETWEEN: Her Majesty the Queen in Right of Canada, herein represented by the Minister of Foreign Affairs (hereinafter referred to as "Department of Foreign Affairs and International Trade DFAIT");

AND:

Peruvian Ministry of Foreign Affairs
Ambassador Mr. Jose E. Romero
(hereinafter referred to as "the Institution")

WITNESSETH THAT:

1. THE PROJECT

1.01 The Institution will undertake to use this contribution for the following purpose.

1.02 The Institution shall:

In 1991, Canada, Japan and the European Community took the initiative to establish the United National Conventional Arms Register (UNCAR), and continue to view it as a key transparency and confidence-building measure. With Japan, Canada hosted the first regional workshop on UNCAR in Cambodia in February 2001. To focus on both UN transparency instruments, that is UNCAR and the Military Expenditures report, Canada, along with Germany, Japan and The Netherlands, have teamed up to sponsor a series of regional and subregional workshops in 2002 in West Africa, Southern Africa, and South America and the Caribbean. An Asia-Pacific workshop should take place in Indonesia in February 2003; its focus will be on future prospects for UNCAR, and in particular, how to promote military transparency through participation in the two instruments. A final report will be presented to Assistant Secretary General Dhanapala and the 2003 Group of Governmental Experts which will be struck in March to review the status of the Register.

The November 2002 South America and Caribbean workshop will be funded by Germany and Japan through their UN Trust Fund (up to US $165,000), and Canada will provide up to US $9,000. to the Government of Peru to cover local workshop costs.

Lima Workshop 26-28 November 2002

SPEAKERS: Expert speakers are drawn from the region and other relevant international organizations and specialized agencies.

TIME LINE:
1. Lima Workshop 26-28 November 2002

Co-ordinators: UN Regional Centre in Lima, Peru; UN Department for Disarmament (UN DDA); and the Peruvian MFA.

Host: Government of Peru
Sponsors: Canada, Germany, The Netherlands, Japan
Donors: Germany and Japan up to US $165,000; Canada up to US$9,000

1.03 PARTICIPANTS: Sponsor country officials from Canada, Germany, Japan and The Netherlands, expert speakers, South American and Caribbean. Other officials to be invited include, inter alia, senior representation from UN DDA, UN Regional Peace and Security Centre in Lima, Peru, the Organization of American States (OAS) and officials from sub-regional organisations.

2. THE CONTRIBUTION

2.01 Subject to the provisions of this Contribution Agreement, DFAIT will make a contribution ("the Contribution") to the Institution with respect to the Project, a sum not to exceed, US$9,000 or Cdn$14,500 (whichever is lower). This represents DFAIT’s total contribution to the project. The budget in Appendix "C" represents the cost of the whole project.
2.02 The Contribution will be used by the Institution to implement the Project in accordance with the provisions of this Contribution Agreement and with the terms specified in Annexes "A", "B", "C" which form an integral part of this Contribution Agreement.

2.03 The Institution shall take part in this Project according to the conditions described in the Contribution request and accepted by DFAIT as specified in Annex "A" of the present Contribution Agreement.

2.04 The amount of this Contribution Agreement is definitive. It is further agreed that DFAIT will not be responsible for any deficit incurred by the Institution or any other person associated with the Project.

2.05 The Contribution Agreement shall be paid by DFAIT in accordance with the Terms of Payments set forth in Annex "B".

2.06 The Institution shall between the effective date of this agreement and the 30 day of January 2003, perform and complete with care, skill, diligence and efficiency the services that are described in the Contribution Agreement and attachments hereto.

2.07 The Canadian Government retains the right to an audit even though an audit may not be performed.

2.08 This Agreement is not for the consideration of a supply to the Crown, and as such, the Goods and Services Tax does not apply to any payment made under this Contribution.

2.09 The Canadian Government retains the right to hire an external monitor and/or evaluator.

3. RECORDS

3.01 The Institution shall keep proper accounts and records of the cost of the work and of all expenditures or commitments including the invoices, receipts and vouchers, which shall at reasonable time be open to audit and inspection by the authorized representatives of DFAIT who may make copies and take extracts therefrom.

3.02 The Institution shall afford facilities for audit and inspection and shall furnish the authorized representatives of DFAIT with such information as DFAIT may from time to time require with reference to the documents referred to herein.

3.03 The Institution shall not dispose of the documents referred to herein without the written consent of DFAIT but shall preserve and keep them available for audit and inspection for such period of time as may be specified elsewhere in the contract or, in the absence of such specification, for a period of five years following completion of the work.

4. PAYMENTS AND FINANCIAL REPORTS

4.01 Progress and final reports on the Project and the budget will be prepared and presented to DFAIT in accordance with the schedule set forth in Annex "A" and "B". These reports are to be signed by the chief executive officer or his or her representative.

4.02 The Institution will return to the Receiver General of Canada via DFAIT funds which are not disbursed or accounted for, under the terms of the Project agreed to by DFAIT.

5. ANNOUNCEMENTS AND CEREMONIES

5.01 Where appropriate, the Institution will acknowledge the Contribution in any reference made by it with respect to the program in publications, speeches, press releases or other similar matters.

6. TERMINATION OR SUSPENSION

6.01 DFAIT may, by giving notice to the Institution, terminate or suspend the work with
respect to all or any part or parts of the work not completed. More particularly, DFAIT may withhold or cancel any payments under this Contribution Agreement if the Institution does not use the Contribution in accordance with the provisions of this Agreement. All work completed by the Institution to the satisfaction of Her Majesty before the giving of such notice shall be paid for by Her Majesty in accordance with the provisions of the Contribution Agreement and, for all work not completed before the giving of such notice. Her Majesty shall pay the Institution's financial obligations as determined under the provisions of the Contribution Agreement.

6.02 In addition to the amount which the Institution shall be paid in the above paragraph, the Institution shall be reimbursed for the Institution's financial obligations related to the cancellation of obligations incurred by the Institution pursuant to such notice and obligations incurred by or to which the Institution is subject with respect to the work.

6.03 Payment and reimbursement under these provisions shall be made only to the extent that it is established to the satisfaction of DfaIt that the financial obligations were actually incurred by the Institution and that the same are fair and reasonable and are properly attributable to the termination or suspension of the work or the part thereof so terminated.

6.04 The Institution shall not be entitled to be reimbursed any amount which, taken together with any amounts paid or becoming due to the Institution under this agreement, exceeds the budgeted amount applicable to the work of the particular part thereof.

6.05 The Institution shall have no claim for damages, compensation, loss of profit, allowance or otherwise by reason or of or directly or indirectly arising out of any action taken or notice given by DFAIT under these provisions except as expressly provided therein.

6.06 If at the time of termination of the work the Institution has been paid an amount that, in the opinion of DfaIt exceeds the value of the work performed by the Institution, to the date of termination, the Institution shall forthwith, upon demand by DFAIT, refund the excess to Her Majesty.

7. COMPLIANCE

7.01 DFAIT may withhold or cancel any or all payments to be made by DFAIT in accordance with Annex "B" if the Institution fails to use the Contribution Agreement exclusively for the Project and in accordance with the provisions of this Contribution Agreement.

8. BUDGET REVIEW

8.01 If the Government of Canada directs DFAIT to proceed with a re-examination of its budget for the purpose of effecting reductions for specific financial years, this Contribution Agreement will be reviewed accordingly.

9. INDEMNIFICATION

9.01 The Institution shall indemnify and save harmless Her Majesty and DFAIT from and against all claims, losses, damages, costs, expenses, actions and other proceedings, made, sustained, brought, prosecuted, threatened to be brought or prosecuted, in any manner based upon, occasioned by or attributable to any injury to or death of a person or damage to or loss of property arising from any negligent act, omission or delay on the part of the Institution, the Institution’s servants or agents in performing the work or as a result of the work.

9.02 The Institution shall indemnify Her Majesty and DFAIT from all costs, charges and expenses whatsoever that Her Majesty sustains or incurs in or about all claims, actions, suits and proceedings for the use of the invention claimed in a patent, or infringement or alleged infringement of any patent or any registered industrial design or any copyright resulting from the performance of the Institution's obligations under the Contribution Agreement and in respect of the use of or disposal by Her Majesty of anything furnished pursuant to the Contribution Agreement.
9.03 The Institution's liability to indemnify or reimburse Her Majesty under the contract shall not affect or prejudice Her Majesty from exercising any other rights under law.

10. REPRESENTATIVES/NOTICE

10.01 For purposes of the Contribution Agreement and any notices hereto, DFAIT hereby designates Mr. Robert McDougall, Director, Non-Proliferation, Arms Control and Disarmament Division as its representative. Any notice or communication shall be addressed to Mr. Robert McDougall, Department of Foreign Affairs and International Trade, Non-Proliferation, Arms Control and Disarmament Division (IDA), Lester B. Pearson Building, 125 Sussex Drive, Ottawa, Ontario, Canada, K1A GG2. Phone (613) 944-6324, Fax (613) 944-3103.

10.02 For purposes of this Agreement and any notices hereto, the Institution hereby designates Minister Counsellor Elvira Velasquez of the Peruvian MFA as its representative.

10.03 Where in the Contribution Agreement any notice, request, direction, or other communication is required to be given or made by either party, it shall be in writing and is effective if delivered in person, sent by registered mail, by telegram, or by telex/facsimile addressed to the party for whom it is intended at the address mentioned in the Contribution Agreement and any notice, request, direction or other communication shall be deemed to have been given if by registered mail, when the postal receipt is acknowledged by the other party; by telegram, when transmitted by the carrier; and, by telex/facsimile when transmitted. The address of either party may be changed by notice in the manner set out in this provision.

11. EVALUATION

11.01 Results of all evaluations carried out by the Institution with funds from the DFAIT Contribution will be communicated to DFAIT.

12. AMENDMENT

12.01 No amendments of the Contribution Agreement nor waiver of any of the terms or conditions will be deemed valid unless affected by a written amendment.

13. LAW

13.01 This Agreement shall be governed by and construed in accordance with the laws In Force in the Province of Ontario.

14. CONFLICT OF INTEREST

14.01 It is a term of this Agreement

(1) that no public office holder who is not in compliance with the post-employment provisions of the conflict of interest and Post-Employment Code for Public Office Holders shall derive a direct benefit from this Agreement;

(2) that during the term of the Agreement any persons engaged in the course of carrying out this Agreement shall conduct themselves in compliance with the principles of the conflict of interest and Post-Employment Code for Public Office Holders. Should an interest be acquired during the life of the Agreement that would cause a conflict of interest or seem to cause a departure from the principles, the Contractor shall declare it immediately to the Departmental Representative.

15. INTEREST ON ADVANCES

15.01 All advances paid under this agreement shall be deposited in an non-interest-bearing bank account of a commercial banking establishment and accounted for separately by the Institution.
16. EQUIPMENT AND MATERIAL PURCHASES

16.01 Equipment and materials purchased with project funds will be vested in the project, the care and security of which is the responsibility of the Institution, and will become the property of the project beneficiaries at the conclusion of the project or, should an alternate disposition be warranted, such disposition shall be approved by DFAIT.

17. SUMMARY

17.01 Unless otherwise specifically provided, nothing in this Contribution Agreement shall imply the assumption of any responsibility by DFAIT, the Departmental Representative or their representatives for any aspect of the organization, management, or financing of the project. Notwithstanding anything in this Agreement, DFAIT does not by financial or other assistance to the Institution undertake any responsibility for errors, negligence, mismanagement or debts incurred by the Institution or any other person, group, or agent associated with it.

17.02 Payment of any monies by Her Majesty under the terms of this Contribution Agreement is subject to there being an appropriation for the particular service from the fiscal year in which any commitment under this Contribution Agreement would come in the course of payment.

17.03 This Contribution Agreement shall enure to the benefit of and be binding upon the parties hereto and their lawful heirs, executors, administrators, successors and assigns.

17.04 No member of Parliament shall be admitted to any share or part of this Contribution Agreement or to any benefits that may arise therefrom.

17.05 The Contribution Agreement shall not be assigned without the prior written consent of DFAIT. No assignment of the Contribution Agreement shall relieve the Institution from any obligation under the Contribution Agreement or impose any liability on Her Majesty or DFAIT.

17.06 The effective date of this agreement shall be the most recent of the two dates appearing under Article 18 of this agreement.
18. ENTIRE AGREEMENT

This Agreement together with Annexes "A", "B" and "C" and "D" constitute the entire Agreement between the Parties with respect to the Project.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year shown below.

FOR THE INSTITUTION

SIGNED AT Ottawa, Ontario

NAME Mr. Jose E. Romero
Title Ambassador of Peru in Canada

Date: 12/12/02

FOR HER MAJESTY

SIGNED AT Ottawa ON 13 12 2002

Day Month Year

Issued under Treasury Board Authority ****
UNTERAKINGS BY THE INSTITUTION

FINAL REPORTING

At the end of the project the Institution is to submit a final narrative project report. The report will include, but not be limited to, a description and analysis of: the activities and achievements of the project; a comparison of planned versus actual activities, including an explanation of variances; successes and failures of the project in terms of meeting its objectives; problems encountered and conclusions and recommendations.

The final financial report will provide a complete list of funds spent on the basis of budgeted line items as compared to the original project budget line items contained in Annex "C" of this agreement. A request for payment of the final amount due, less any undischarged funds should be included.
CONTRIBUTION AGREEMENT

Annex "B"

TERMS OF PAYMENT

For implementing the Project as specified under this Agreement, as more specifically set out under Annex "A" (Terms of Reference), subject to the Budgetary Purposes set out in Annex "C" (Budgetary Estimates), and as approved from time to time by DFAIT through the budgetary review processes or otherwise, the contribution will be paid by DFAIT to the Institution in accordance with the following "Terms of Payment".

1. BASIS OF PAYMENTS

For implementation of the Project to DFAIT's satisfaction in accordance with the Institution's obligations under this Agreement, DFAIT agrees to pay salaries, expenses and costs incurred by the Institution, on the following basis of payment:

1.1 Salaries - Institution's Personnel

1.1.1 For the Institution's personnel assigned to provide project services under this Agreement, the actual salaries plus benefits paid in accordance with the Institution's established pay scales and benefits provisions for each day spent on the performance of services under this Agreement. The actual salary will be payable for a minimum number of hours of work per day in accordance with the Institution's applicable internal policies and practices. Salaries shall also be reimbursed while on travel status. The proportion of time of assignment will be agreed to with DFAIT through the Budgetary processes, or otherwise.

1.2 Travel Expenses for the Institution's Personnel

1.2.1 The cost of airfare not to exceed economy-class airline tickets, using the most direct routing and the services of Canadian carriers where possible, in accordance with the Treasury Board Travel Guidelines.

1.2.2 The cost of meals, accommodations and incidentals for the Institution's Project Administration personnel while on travel status not to exceed Treasury Board Travel Guidelines.

1.2.3 All other necessary, reasonable and justifiable out-of-pocket travel related expenses arising from the performance of these services, such as: visas; health insurance; local travel in Canada and overseas;

1.3 Translation Services

1.3.1 The actual cost of translation services in Canada and overseas not to exceed established market rates as substantiated by the Institution.

1.4 Communications and Project Administration

1.4.1 The actual cost of project administration expenses including communications, supplies, couriers, photocopying, etc.

2. METHOD OF PAYMENT

For undertaking and implementing the Project (as described in Annex 'A') to the satisfaction of DFAIT, and for the budgetary purposes referred to in Annex 'C', DFAIT shall provide payment to the Institution in accordance with the following:

2.1 Subject to 2.2, if required DFAIT shall provide the Institution with an accountable advance of 50% of the value of the contribution.

2.1.1 The accountable advance shall be made through a written request by the Institution to DFAIT.

2.2 A final payment of the balance of the contribution, will be issued by DFAIT upon receipt and acceptance by DFAIT of the final financial statement and narrative report (see Annex 'A') and a written request for payment.

In its reporting of actual expenditures, the Institution shall report only expenditures with actual cash outlays prior to the date of the report. No accruals or imputed costs are allowed.

2.4 Documentation and records, including time spent by personnel on the Project, in support of the above statements shall be retained by the Institution and made available to DFAIT or a representative of DFAIT on request.
2.5 All costs incurred under this Contribution Agreement may be subject to audit, at the discretion of DFAIT, by DFAIT's designated audit representative.

2.6 Payment will be sent by DFAIT to the Institution to the address identified in Article 10.02 of the Contribution Agreement.
- attached separately
<table>
<thead>
<tr>
<th>Object</th>
<th>Item Number</th>
<th>Description</th>
<th>Cost (US$)</th>
<th>Total Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>401</td>
<td>Conference Facility</td>
<td>1 plenary conference hall for 70 participants, 1 small office space adjoining to the plenary conference room, 1 meeting room for one of two working groups with 25 participants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>401</td>
<td>Interpretation/Audio Equipment</td>
<td>Audio/interpretation equipment for the plenary conference hall and the meeting room in 2 languages (English and Spanish) for 2 days. This may consist of the following or equivalent (See Note below):</td>
<td>1,416.00</td>
<td>2,932.00</td>
</tr>
<tr>
<td>401</td>
<td></td>
<td>2 cabins (booths)</td>
<td></td>
<td></td>
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<tr>
<td>401</td>
<td></td>
<td>80 infra-red headphones</td>
<td></td>
<td></td>
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<tr>
<td>401</td>
<td></td>
<td>20 microphones</td>
<td></td>
<td></td>
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<tr>
<td>401</td>
<td></td>
<td>2 transmitters</td>
<td></td>
<td></td>
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<tr>
<td>401</td>
<td></td>
<td>2 charging racks</td>
<td></td>
<td></td>
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<tr>
<td>401</td>
<td></td>
<td>2 central control units</td>
<td></td>
<td></td>
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<tr>
<td>401</td>
<td></td>
<td>2 infra-red projectors</td>
<td></td>
<td></td>
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<tr>
<td>401</td>
<td></td>
<td>4 speakers</td>
<td></td>
<td></td>
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<tr>
<td>401</td>
<td></td>
<td>1 stand-by technician</td>
<td></td>
<td></td>
</tr>
<tr>
<td>402</td>
<td>Interpreters</td>
<td>Two teams to provide interpretation services to 2 working groups in 2 languages (English and Spanish) for 2 days. This may consist of the following or less:</td>
<td>412.00</td>
<td>824.00</td>
</tr>
<tr>
<td>402</td>
<td></td>
<td>2 English - Spanish for 2 days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>402</td>
<td></td>
<td>2 Spanish - English for 2 days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>411</td>
<td>Local assistants</td>
<td>(US$150 x 2 secretaries x 2 days + 12% tax = US$372.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>411</td>
<td></td>
<td>2 conference assistants for 2.5 days (half-day on 26th and full days on 27th and 28th) (US$100 x 2 assistants x 2.5 days + 12% tax = US$560) (t.o. 3.51 soles)</td>
<td>1,232.00</td>
<td></td>
</tr>
<tr>
<td>421</td>
<td>Local transportation</td>
<td>To pick up and send off all the participants and UN staff members from/to the airport</td>
<td>22.52</td>
<td>878.53</td>
</tr>
<tr>
<td>431</td>
<td>Office Equipment (rental)</td>
<td>1 photocopier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>2 computers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td>Stationary Supplies for local staff</td>
<td>Items include:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>70 Calling pads for participants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>70 ball-point pens</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>2 staplers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>2 boxes of staples</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>2 boxes of Scotch tape</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>12 pencils</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>2 boxes of paper clips (all sizes)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>2 boxes of floppy disks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>5 shipping boxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>2 bottles of correction liquid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>431</td>
<td></td>
<td>10 manilla folders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>433</td>
<td></td>
<td>10 highlighters</td>
<td></td>
<td></td>
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<tr>
<td>433</td>
<td></td>
<td>2 tapes for shipping boxes</td>
<td></td>
<td></td>
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<tr>
<td>433</td>
<td></td>
<td>10 post it (all sizes)</td>
<td></td>
<td></td>
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<tr>
<td>433</td>
<td></td>
<td>10 thousand of paper sheet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>433</td>
<td></td>
<td>Group photos (t.o. 3.51 soles)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>441</td>
<td>Communications</td>
<td>2 mobile phones for 4 days (rental) (t.o. 3.51 soles)</td>
<td>816.30</td>
<td></td>
</tr>
<tr>
<td>451</td>
<td>Insurance</td>
<td>Special Event insurance for 4 days</td>
<td>474.00</td>
<td></td>
</tr>
<tr>
<td>461</td>
<td>Sundries</td>
<td>Including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>461</td>
<td></td>
<td>1 banner of the workshop (approx. size: 5m x 1.5m) and information signs</td>
<td>188.15</td>
<td>188.15</td>
</tr>
<tr>
<td>461</td>
<td></td>
<td>1 thousand of paper sheet</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL** | | | | **8,779.27** |

**Note:**
- 401 The small office space should be available two days prior to the workshop.
- The plenary conference hall and meeting room should be fully equipped with audio/interpretation equipment.
- 401 Items listed above constitute a sample system setup, although it is recommended to have 80 headphones, 20 microphones and 1 stand-by technician. All the equipment should be installed by the day before the workshop.
- 441 UNHCR in NY will be able to reach DQA staff members at the venue by phone.
- 451 A policy of special event insurance, which will protect the host country from unexpected financial obligations, is to be arranged by the government of Peru but to be procured by the country/donor(s).
- 461 Basic design for the banners will be provided by DQA.

Name plates and badges: DQA will prepare country name plates, plate stands and name badges.

09/12/02