

No. 3533

**UNITED STATES OF AMERICA
and
PERU**

**Agreement for a co-operative employment service program.
Signed at Lima, on 31 December 1954**

Official texts: English and Spanish.

Registered by the United States of America on 26 September 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
PÉROU**

**Accord relatif à un programme de coopération pour l'or-
ganisation d'un service de l'emploi. Signé à Lima,
le 31 décembre 1954**

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 26 septembre 1956.

No. 3533. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF PERU FOR A CO-OPERATIVE EMPLOYMENT SERVICE PROGRAM. SIGNED AT LIMA, ON 31 DECEMBER 1954

The Government of the United States of America and the Government of the Republic of Peru

Have agreed as follows :

Article I

THE OPERATING AGENCIES

Pursuant to the General Agreement for Technical Cooperation, as modified and supplemented, signed on behalf of the two Governments at Lima on January twenty-fifth, nineteen hundred and fifty-one,² a cooperative employment service program shall be initiated in Peru. The obligations assumed herein by the Government of the Republic of Peru will be performed by it through its Ministry of Labor and Indian Affairs (hereinafter referred to as the "Ministry"). The obligations assumed herein by the Government of the United States will be performed by it through such agency as it may designate (hereinafter referred to as the "designated United States agency"). The Ministry and the designated United States agency may secure the assistance of other public and private agencies in discharging their respective obligations under this Agreement. The Ministry, on behalf of the Government of the Republic of Peru, and the designated United States agency, on behalf of the Government of the United States of America, shall participate jointly in all phases of the planning and administration of the cooperative program. This Agreement and all activities carried out pursuant to it shall be governed by the provisions of the said General Agreement for Technical Cooperation.

Article II

OBJECTIVES

The objectives of this cooperative employment service program are :

1. To facilitate the development of a free public national employment service in Peru through cooperative action on the part of the two Governments as a measure for promoting economic development in Peru;

¹ Came into force on 31 December 1954, as from the date of signature, in accordance with article XIII.

² United States of America : *Treaties and Other International Acts Series 2772.*

2. To stimulate and increase the interchange between the two countries of knowledge, skills and techniques in the field of public employment service activities;
3. To promote and strengthen understanding and good will between the peoples of the Republic of Peru and the United States of America, and to foster the growth of democratic ways of life.

Article III

FIELDS OF ACTIVITY

This cooperative employment service program will include, to the extent that the parties from time to time agree thereon, operations of the following types :

1. Studies of the needs of the Republic of Peru in the field of public employment service activities and the resources which are available to meet those needs;
2. The formulation and continuous adaptation of a program to help meet such needs;
3. The initiation and administration of projects in employment service research including occupational analysis and classification; worker and applicant analysis and classification; interviewing and selection techniques; labor market analysis; testing techniques and test development and validation; publicity techniques and the dissemination of information to the public; and such other projects in the field of public employment service activities as the parties may agree upon;
4. Related training activities both within and outside of the Republic of Peru.

Article IV

THE TECHNICAL MISSION

The Government of the United States will make available specialists to collaborate in carrying out the cooperative employment service program. The number and type of specialists to be assigned shall be determined by the Government of the United States after consultation with the Ministry. The specialists made available by the Government of the United States under this Agreement, together with those made available under other program and project agreements, may be constituted as a Mission (hereinafter referred to as the "Mission") which shall bear such title as that Government may designate and which may be headed by an official designated by that Government. The head of the Mission, and any United States specialists assigned to work under this Agreement, shall be selected and assigned by the Government of the United States but shall be subject to acceptance by the Government of the Republic of Peru.

Article V

THE COOPERATIVE SERVICE

There is hereby established within the Ministry the Servicio Cooperativo del Empleo del Perú (hereinafter referred to as the "SCEP"). The SCEP shall serve as an agency of the Government of the Republic of Peru and shall administer the cooperative employment service program in accordance with the provisions of this Agreement. The Minister of Labor and Indian Affairs (hereinafter referred to as the "Minister") and the head of the Mission or another official designated by the Government of the United States shall each designate one person to serve as Co-Director of the SCEP. Members of the Mission may become officers or employees of the SCEP under such arrangements as may be agreed upon by the Co-Directors.

Article VI

JOINT CONTRIBUTIONS

The parties shall contribute and make available, to the extent provided below, funds for use in carrying out the program during the period covered by this Agreement, in accordance with the following schedules :

1. The Government of the United States, during the period from the date of entry into force of this Agreement through December thirty first, nineteen hundred and fifty six, shall make available the funds necessary to pay the salaries and other expenses of the members of the Mission, as well as such other expenses of an administrative nature as the Government of the United States may incur in connection with this cooperative program. These funds shall be administered by the designated United States agency and shall not be deposited to the credit of the SCEP.

2. In addition, for the period from the date of entry into force of this Agreement through December thirty first, nineteen hundred and fifty five, the Government of the United States, through the designated United States agency, shall deposit to the credit of the SCEP, the sum of \$17,400 (Seventeen Thousand Four Hundred Dollars) in the currency of the United States. This deposit shall be made according to the following schedule of installments :

On or before January 15, 1955	\$1,450.00
A sum of \$1,450 on or before the first day of each succeeding month, including December 1, 1955, which monthly payments will aggregate	15,950.00
	TOTAL <u>\$17,400.00</u>

In addition to the foregoing schedule of contributions, the designated United States agency shall deposit to the credit of the SCEP the sum of \$7,600 (Seven Thousand Six Hundred Dollars) in currency of the United States, when and as funds are available but in any event within the period stipulated above, in payments proportional to the deposit or partial deposit by the Government of the Republic of Peru of the sum of S/.114,000 (One Hundred Fourteen Thousand Soles) in currency of the Republic of Peru called for in the last sentence of paragraph 3.

3. The Government of the Republic of Peru, through the Ministry, shall deposit to the credit of the SCEP for the period from the date of entry into force of this Agreement through December thirty first, nineteen hundred and fifty five, the sum of S/.265,000 (Two Hundred Sixty Five Thousand Soles) in currency of the Republic of Peru. This deposit shall be made according to the following schedule of installments :

On or before January 15, 1955	S/.22,083.37
A sum of S/.22,083.33 on or before the first day of each succeeding month, including December 1, 1955, which monthly payments will aggregate	242,916.63
TOTAL	<u>S/.265,000.00</u>

In addition to the foregoing schedule of contributions, the Government of the Republic of Peru shall deposit to the credit of the SCEP the sum of S/.114,000 (One Hundred Fourteen Thousand Soles) in currency of the Republic of Peru, when and as funds are available but in any event within the period stipulated above.

4. The two parties may later contribute additional funds to the program pursuant to arrangements entered into by the Minister and the head of the Mission, or their designees, or by other authorized representatives of the two Governments. The provisions of this Article VI shall be applicable to any such future financial contributions.

5. With respect to contributions to be deposited to the credit of the SCEP, it is intended that such deposits will, ordinarily, be made by the two Governments in installments at the same time and in proportionally equivalent amounts. Each installment deposited to the credit of the SCEP by either of the parties shall be available for withdrawal or expenditure only after the corresponding agreed installment of the other party has been deposited. Funds deposited by either party and not matched by the corresponding agreed deposit of the other party shall be returned to the contributing party prior to the distribution provided for in paragraph 5 of Article IX of this Agreement.

6. The funds contributed pursuant to paragraphs 2, 3 and 4 of this Article VI shall be available for the procurement of supplies, materials and equipment,

for obtaining additional technicians and other personal services by employment or contract, and for any other needs of the program.

7. Funds deposited to the credit of SCEP may be maintained in such bank or banks as the Co-Directors shall agree upon, and shall be available only for the purposes of this Agreement. No funds of the SCEP shall be withdrawn for any purpose except by issuance of a check or other suitable withdrawal document signed by the Co-Directors. The Co-Directors shall include in the deposit agreement to be made with any bank a provision that the bank shall be obligated to repay to the SCEP any moneys which it shall permit to be withdrawn from the funds of the SCEP on the basis of any document other than a check or other withdrawal document that has been signed by the Co-Directors.

Article VII

ADDITIONAL CONTRIBUTIONS

1. The projects to be undertaken under this Agreement may include cooperation with national, departmental and local governmental agencies in Peru, as well as with organizations of a public or private character in Peru and in the United States, and international organizations of which the United States and Peru are members. By agreement between the Co-Directors contributions of funds, property, services or facilities by either or both parties, or by any of such third parties, may be accepted by the SCEP for use in effectuating the cooperative employment service program, in addition to the funds, property, services and facilities required to be contributed under Article VI.

2. The Gouvernement of the Republic of Peru, in addition to the cash contribution provided for in paragraph 3 of Article VI hereof, may, at its own expense :

- a) Appoint specialists and other necessary personnel to collaborate with the Mission;
- b) Make available such office space, office equipment and furnishings, and such other facilities, materials, equipment, supplies, and services as it can provide for the said program;
- c) Make available the general assistance of the other governmental agencies of the Government of the Republic of Peru for carrying out the cooperative program.

Article VIII

PROJECT OPERATIONS

1. The cooperative employment service program herein provided for shall consist of a series of projects to be jointly planned and administered by the Co-Directors. Each project shall be embodied in a written project agreement

which shall be signed by the Co-Directors, shall define the work to be done, shall, as necessary, make allocations of funds therefor from moneys available to the SCEP, and may contain such other matters as the parties may desire to include. The Co-Directors may enter into projects agreements with other ministries or agencies of the Government of the Republic of Peru to provide for the administration of projects by such other agencies.

2. Upon completion of any project, a Completion Memorandum shall be drawn up and signed by the Co-Directors, which shall provide a record of the objectives sought to be achieved, the work done, the expenditures made, the problems encountered and the results achieved.

3. The selection of specialists, technicians, and others in the field of public employment service activities who may be sent for training to the United States of America or elsewhere at the expense of the SCEP pursuant to this program, as well as the training activities in which they shall participate, shall be determined jointly by the Co-Directors.

4. The general policies and administrative procedures that are to govern the cooperative program, the carrying out of projects and the operations of the SCEP, such as the disbursement of and accounting for funds, the incurrence of obligations of the SCEP, the purchase, use, inventory, control and disposition of property, the appointment and discharge of officers and other personnel of the SCEP and the terms and conditions of their employment and all other administrative matters, shall be determined by the Co-Directors.

5. All contracts and other instruments and documents relating to the execution of projects under this Agreement shall be executed in the name of the SCEP and shall be signed by the Co-Directors. The books and records of the SCEP relating to the cooperative program shall be open at all times for examination by authorized representatives of the Government of the Republic of Peru and the Government of the United States. The Co-Directors shall render an annual report of the activities of the SCEP to the two Governments, and other reports at such intervals as may be appropriate.

6. Any power conferred by this Agreement upon either Co-Director may be delegated by either of them to any of their respective assistants, provided that each such delegation be satisfactory to the other. Such delegation shall not limit the right of either of them to refer any matter directly to the other for discussion and decision.

Article IX

ADDITIONAL FISCAL PROVISIONS

1. All funds deposited to the credit of the SCEP pursuant to this Agreement shall continue to be available for the cooperative employment service

program during the existence of this Agreement without regard to annual periods or fiscal years of either of the parties.

2. Title to all materials, equipment and supplies acquired for the SCEP by the Government of the United States with funds contributed to the SCEP but withheld from deposit to the credit of SCEP shall, unless otherwise agreed by the Co-Directors, pass to the SCEP at the time such title is relinquished by the Seller. Property acquired by the SCEP shall be used only in the furtherance of this Agreement and any such property remaining at the termination of this cooperative program shall be at the disposition of the Government of the Republic of Peru.

3. Income from operations of the SCEP, interest received on funds of the SCEP, and any other increment of assets of the SCEP, of whatever nature or source, shall be devoted to the carrying out of the cooperative program and shall not be credited against any contribution due from either party.

4. Funds deposited by the Government of the United States to the credit of the SCEP shall be convertible into Soles at the highest rate which, at the time the conversion is made, is not unlawful in Peru.

5. Any funds of the SCEP which remain unexpended and unobligated on the termination of the cooperative employment service program shall, unless otherwise agreed upon in writing by the parties hereto at the time, be returned to the parties hereto in the proportion of the respective contributions made by the Government of the United States and the Government of the Republic of Peru under this Agreement, as it may, from time to time be amended and extended.

Article X

RIGHTS AND EXEMPTIONS

1. The Government of the Republic of Peru will extend to the SCEP, and to all personnel employed by the SCEP, all rights and privileges which are enjoyed by other agencies of the Ministry or by their personnel. Such rights and privileges, so far as they pertain to communications, transportation, and exemption from taxes, imposts and stamp taxes, shall also accrue to agencies and personnel of the United States with respect to operations which are related to and property which is used for the cooperative employment service agreement.

2. Supplies, equipment and materials contributed to the SCEP by the Government of the United States of America, either directly or by contract with a public or private organization, shall be admitted into Peru free of any customs and import duties.

3. All personnel of the Government of the United States, whether employed directly by it or under contract with a public or private organization who are present in Peru to perform work for the cooperative employment service program, and whose entrance into the country has been approved by

the Government of the Republic of Peru under Article IV of this Agreement shall be exempt from income and social security taxes levied under the laws of Peru with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States, from property taxes on personal property intended for their own use, and, except as may subsequently be otherwise agreed, from the payment of any tariff or duty upon personal or household goods brought into the country for the personal use of themselves and members of their families.

4. The two Governments will establish procedures whereby the Government of the Republic of Peru will so deposit, segregate or assure title to all funds allocated to or derived from this program that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when the Government of the Republic of Peru is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the program.

Article XI

SOVEREIGN IMMUNITY

The parties declare their recognition that agencies and corporate instrumentalities of the Government of the United States engaged in activities in Peru pursuant to this Agreement are entitled to share fully in all the privileges and immunities, including immunity from suit in the courts of Peru, which are enjoyed by the Government of the United States.

Article XII

LEGISLATIVE AND EXECUTIVE ACTION

The Government of the Republic of Peru will endeavor to obtain the enactment of such legislation and will take such executive action as may be required to carry out the terms of this Agreement.

Article XIII

ENTRY INTO FORCE AND DURATION

This Agreement may be referred to as the "Cooperative Employment Service Program Agreement". It shall enter into force on the date on which it is signed, and shall remain in force through December thirty-first, nineteen hundred and fifty-six, or until ninety days after either Government shall have given notice in writing to the other of intention to terminate it, whichever is earlier; provided, however, that the obligations of the parties under this Agree-

ment shall be subject to the availability of appropriations to both parties for the purposes of the program and to the further agreement of the parties pursuant to Article VI, paragraph 4 hereof.

DONE in duplicate, in the English and Spanish languages, at Lima, this thirty-first day of December, nineteen hundred and fifty-four.

For the Government of the United States of America :

E. A. GILMORE, Jr.
Chargé d'Affaires, a. i.

J. R. NEALE
Director, United States Operations Mission to Peru
[SEAL]

For the Government of Peru :

D. F. AGUILAR
Minister of Foreign Affairs

Victor A. CASAGRANDE
Minister of Labor and Indian Affairs
[SEAL]
