

No. 3780

**UNITED STATES OF AMERICA
and
PERU**

Agreement for a co-operative program of irrigation, transportation and industry. Signed at Lima, on 30 April 1955

Official texts: English and Spanish.

Registered by the United States of America on 27 March 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
PÉROU**

Accord relatif à un programme de coopération dans les domaines de l'irrigation, des transports et de l'industrie. Signé à Lima, le 30 avril 1955

Textes officiels anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 27 mars 1957.

No. 3780. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF PERU FOR A CO-OPERATIVE PROGRAM OF IRRIGATION, TRANSPORTATION AND INDUSTRY. SIGNED AT LIMA, ON 30 APRIL 1955

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 between the Government of the United States of America and the Government of the Republic of Peru signed at Lima on January 25, 1951,² as subsequently modified and supplemented, a cooperative program of irrigation, transportation and industry shall be initiated in Peru. The obligations assumed herein by the Government of the United States of America will be performed by it through the Foreign Operations Administration (hereinafter referred to as the "Administration"). The obligations assumed herein by the Government of the Republic of Peru will be performed by it through its Ministry of Public Works and Development (hereinafter referred to as the "Ministry"). The Administration may carry out its obligations under this Agreement through The Institute of Inter-American Affairs. The obligations assumed herein by the Administration and the Ministry may be performed, respectively, by the Administration and the Ministry, any successor to either of those agencies, or any other agency designated for the purpose by the Government of the United States or the Government of the Republic of Peru. The Administration and the Ministry may secure the assistance of other public and private agencies in discharging their respective obligations under this Agreement. The Administration and the Ministry 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 General Agreement for Technical Cooperation, as modified and supplemented.

¹ Came into force on 30 April 1955, the date of signature, in accordance with article XIII.

² United States of America: *Treaties and Other International Acts Series 2772*; 4 UST 132.

Article II

PURPOSE AND SCOPE OF THE COOPERATIVE PROGRAM

1. The immediate purposes of this cooperative program are: (a) to demonstrate the economic feasibility and utility of furnishing in Peru, through a central source, engineering and economic consultation and similar services in the development of irrigation, road transportation and industry as a means of facilitating and supplementing private activities in these fields; and (b) to provide training in the technical and management skills required in furnishing consultation and similar services on this basis, all with a view to providing a basis whereby the Government of Peru or some other public or private agency of Peru may undertake the furnishing of such services on a permanent basis.

2. This cooperative program may include, to the extent that the parties from time to time agree thereon, activities of the following types:

a. Preparing preliminary overall technical studies in connection with prospective projects for the development of irrigation, road transportation or industry for which financing is available, or may reasonably be expected to become available, from public or private organizations. The purpose of such preliminary studies will be to provide a basis upon which prospective financing organizations or other agencies may contract for the preparation of detailed economic analyses and engineering studies and plans on such development projects. It is intended that, to the maximum extent feasible, such preliminary studies will be carried out under arrangements whereby the costs of such preliminary studies will be reimbursed by the financing organizations or by other appropriate agencies.

b. Providing economic and engineering consultation and similar services in the planning and carrying out of projects for the development of irrigation, road transportation and industry in Peru. Such services may be provided in connection with development projects carried out by individuals, communities, or other public or private organizations where the project will significantly promote economic development in Peru but where, because of the limited size of the development project or for similar reasons, such services cannot reasonably be obtained from qualified private contractors equipped to carry out the project effectively and economically. Such services may be provided without reimbursement in the case of development projects to be carried out by communities on a self-help basis. In the case of other such development projects these services will be furnished under arrangements whereby the costs of the services will be reimbursed by the financing organizations or by other appropriate agencies.

c. Related activities in the fields of irrigation, transportation and industry.

Article III

THE COOPERATIVE SERVICE

There is hereby established within the Ministry the Cooperative Service for irrigation, roads and industry (hereinafter referred to as the "Cooperative Service"). The Cooperative Service shall be an agency of the Government of the Republic of Peru and may administer projects in this cooperative program in accordance with the provisions of this Agreement. The Director of the United States Operations Mission to Peru or any successor official (hereinafter referred to as the "USOM Director"), or his designee, shall serve as the Director of the Cooperative Service (hereinafter referred to as the "Director"), it being understood that any designation hereunder shall be subject to concurrence by the Minister of Public Works and Development (hereinafter referred to as the "Minister"). United States personnel (as described in Article V, paragraph 1) may become officers or employees of the Cooperative Service under such arrangements as may be agreed upon by the Director and the Minister or his designee.

Article IV

PROJECT OPERATION

1. The cooperative program herein provided for shall consist of a series of projects to be jointly planned and administered by the Director and the Minister or his designee. Each project shall be embodied in a written project agreement which shall be signed by the Director and the Minister or his designee, and, where additional firm obligations are assumed by either party or where otherwise appropriate, shall also be signed by the USOM Director or his designee. Each project agreement shall define the work to be done, shall, as necessary, make allocations of funds therefor from funds of the Cooperative Service, and may contain such other matters as the parties may desire to include. Project agreements may be entered into with other national, departmental and local governmental agencies in Peru to provide for the administration of projects by such other agencies.

2. Upon completion of any project, a Completion Report shall be drawn up and signed by the Director and the Minister or his designee 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 general policies and administrative procedures that are to govern the cooperative program, the carrying out of projects and the operations of the Cooperative Service, such as the disbursement of and accounting for funds, the

incurrence of obligations of the Cooperative Service, the purchase, use, inventory, control and disposition of property, the appointment and discharge of officers and other personnel of the Cooperative Service and the terms and conditions of their employment, and all other administrative matters, shall be determined by the Director and the Minister or his designee.

4. All contracts and other instruments and documents relating to the execution of projects under this Agreement shall be executed in the name of the Cooperative Service and shall be signed by the Director. The books and records of the Cooperative Service relating to the cooperative program shall be open at all times, during the terms of this Agreement and three years thereafter, for examination by authorized representatives of the Government of the Republic of Peru and the Government of the United States. Either party may at any time during the term of this Agreement observe any operations conducted under, and inspect any properties procured by the Cooperative Service under this Agreement. The Director shall, when requested by either party, render to such party an annual report of the activities of the Cooperative Service, and shall submit other reports at such intervals as may be appropriate.

5. It is understood that, in the event that the Cooperative Service is required to be represented before any judicial body or governmental agency, United States personnel (as described in Article V, paragraph 1) shall not be required to appear for purposes of such representation and that the Ministry shall, as necessary, arrange for such representation.

6. Any power conferred by this Agreement upon the Director or the Minister may be delegated by either of them to any of their respective assistants. Such delegation shall not limit the right of either of them to refer any matter directly to the other for discussion and decision.

Article V

UNITED STATES PERSONNEL

1. The Administration will make available funds to pay the costs of furnishing, in accordance with project agreements executed pursuant to paragraph 1 of Article VIII or other arrangements between the two parties, the services of technicians to collaborate in carrying out the cooperative program. The Administration will also pay the costs of assigning administrative and technical support personnel necessary in conducting the activities of the Administration under this Agreement, the number and type of such personnel to be determined by the Administration. All personnel assigned in Peru pursuant to this paragraph shall be selected or approved by the Administration and shall be subject to acceptance by the Government of the Republic of Peru. Funds made available by the

Administration for purposes of this paragraph shall, unless otherwise specified in the applicable project agreement, be administered directly by the Administration. (The technicians and administrative and technical support personnel whose services are financed pursuant to this paragraph, including United States Government employees, and employees of organizations under contract with, or individuals under contract with, the Government of the United States, the Government of the Republic of Peru, or any agency authorized by the Government of the Republic of Peru, shall hereinafter be referred to as "United States personnel".)

2. United States personnel assigned in Peru hereunder shall, except as may otherwise be specified by the Administration, be members of the United States Operations Mission to Peru which is headed by the USOM Director. All United States personnel assigned in Peru hereunder shall be under the general direction of the USOM Director.

Article VI

JOINT CONTRIBUTIONS OF FUNDS

1. In addition to the contributions provided for in paragraph 1 of Article V, the Administration shall deposit to the credit of the Cooperative Service for the period from the date of entry into force of this Agreement through December 31, 1955 the sum of One Hundred Thousand Dollars (\$100,000) in currency of the United States. This deposit shall be made according to the following schedule of installments :

On or before May 15, 1955	\$12,500.00
A sum of \$12,500.00 on or before the fifteenth day of each succeeding month, including December 15, 1955, which monthly payments will aggregate	87,500.00
TOTAL	\$100,000.00

2. The Ministry shall deposit to the credit of the Cooperative Service for the period from the date of entry into force of this Agreement through December 31, 1955, the sum of Two Million Soles (S/2,000,000) in currency of the Republic of Peru. This deposit shall be made according to the following schedule of installments :

On or before May 15, 1955	S/250,000.00
A sum of S/250,000.00 on or before the fifteenth day of each succeeding month, including December 15, 1955, which monthly payments will aggregate	1,750,000.00
TOTAL	S/2,000,000.00

3. The two parties may later contribute additional funds to the program pursuant to arrangements entered into by the Minister and the USOM Director or their designees, or by other authorized representatives of the two parties. The provisions of this Agreement shall be applicable to any such future financial contributions.

4. With respect to contributions to be deposited to the credit of the Cooperative Service, it is intended that such deposits will, ordinarily, be made by the two parties in installments at the same times and in proportionally equivalent amounts. Each installment deposited to the credit of the Cooperative Service 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.

5. The funds contributed pursuant to paragraphs 1, 2 and 3 of this Article VI shall be available for the procurement of supplies, materials and equipment, for obtaining additional technicians and other services by employment or contract, and for any other needs of the program.

6. Funds deposited to the credit of the Cooperative Service may be maintained in such bank or banks as may be agreed upon by the Director and the Minister or his designee and shall be available only for the purposes of this Agreement.

Article VII

MINISTRY CONTRIBUTIONS IN KIND

1. In addition to the contributions of funds by the Ministry pursuant to Article VI, the Ministry, as may be specified in project agreements or as may otherwise be required (in addition to the commodities and service obtained pursuant to paragraph 3 of Article VI) for carrying out the cooperative program, will, at its own expense, provide supplies, equipment and facilities, and make available the services of technical and other personnel to collaborate with United States personnel in carrying out the cooperative program.

2. The Ministry will, to the extent that it is able to do so, provide office space and office equipment and facilities as required for the cooperative program.

3. The Ministry will arrange for the cooperation and general assistance of other governmental and private agencies in Peru for carrying out the cooperative program.

Article VIII

PARTICIPATION OF OTHER AGENCIES

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 Director and Minister or his designee, contributions of funds, property, services or facilities by either or both parties, or by any such third parties, may be accepted by the Cooperative Service for use in effectuating the cooperative program, in addition to the contributions provided for under Articles V, VI, and VII.

Article IX

ADDITIONAL FISCAL PROVISIONS

1. All funds deposited to the credit of the Cooperative Service pursuant to this Agreement shall continue to be available for the cooperative 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 Cooperative Service by either party with funds contributed to the Cooperative Service but withheld from deposit to the credit of the Cooperative Service shall, unless otherwise agreed by the Director and the Minister or his designee, pass to the Cooperative Service at the time such title is relinquished by the Seller. Property acquired by the Cooperative Service 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 Ministry which, it is understood, will continue to use such property in a manner which will further the objectives sought in carrying out this Agreement.

3. Income from operations of the Cooperative Service, interest received on funds of the Cooperative Service, and any other increment of assets of the Cooperative Service, 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 Administration to the credit of the Cooperative Service 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 Cooperative Service which remain unexpended and unobligated on the termination of the cooperative 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 Administration and the Ministry 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 Cooperative Service and to all personnel employed by the Cooperative Service, 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 the Administration and public and private agencies financed by the Administration and to United States personnel with respect to operations which are related to and property which is used for this cooperative agreement.

2. Supplies, equipment and materials directly contributed to the cooperative program by the Administration or furnished through a public or private organization financed by the Administration shall be admitted into Peru free of any customs and import duties.

3. All United States personnel present in Peru pursuant to this Agreement (other than citizens or residents of Peru), 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 cooperative program that such funds shall not be subject to garnishment, attachment, seizure or other legal process by any person, firm, agency, corporation or government.

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 Irrigation, Transportation and Industry Program Agreement. It shall enter into force on the date on which it is signed, and shall remain in force through June thirty, nineteen hundred and sixty, or until thirty 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 Agreement after June 30, 1955 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 3 hereof.

DONE in duplicate, in the English and Spanish languages, at Lima, this thirtieth day of April, nineteen hundred and fifty-five.

For the Government of the United States of America :

Clare H. TIMBERLAKE
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

F. NORIEGAL
Minister of Public Works and Development

[SEAL]