

No. 14926

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**

and

PERU

Exchange of notes constituting an agreement concerning an interest-free development loan by the Government of the United Kingdom to the Government of Peru (with annexes). Lima, 7 May 1975

Authentic texts: English and Spanish.

Registered by the United Kingdom of Great Britain and Northern Ireland on 27 July 1976.

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD**

et

PÉROU

Échange de notes constituant un accord relatif à un prêt au développement, franc d'intérêt, du Gouvernement du Royaume-Uni au Gouvernement du Pérou (avec annexes). Lima, 7 mai 1975

Textes authentiques : anglais et espagnol.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 27 juillet 1976.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF PERU CONCERNING AN INTEREST-FREE DEVELOPMENT LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM TO THE GOVERNMENT OF PERU

I

Her Majesty's Ambassador at Lima to the Minister for Foreign Affairs of Peru

BRITISH EMBASSY
LIMA

7 May 1975

Your Excellency

1. I have the honour to refer to the recent discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Peru and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of Peru in the following terms. The position of the Government of the United Kingdom with regard to the provision of finance and the commitment of that Government and the Government of Peru as regards associated matters shall be as respectively set out in Part A and Part B below.

A. The Government of the United Kingdom declare that it is their intention to make available to the Government of Peru by way of a loan a sum not exceeding £80,000 (Eighty thousand pounds sterling) for the purchase in the United Kingdom of certain goods and services to be agreed between the Governments of Peru and the United Kingdom for the reconstruction programme following the earthquake of May 1970.

B. (1) The Government of the United Kingdom shall adopt the Arrangements and procedures described in the following paragraphs of this note insofar as they relate to things to be done by or on behalf of that Government. The Government of Peru shall adopt the arrangements and procedures so described insofar as they relate to things to be done by or on behalf of that Government.

(2) (a) For the purpose of these arrangements the Government of Peru shall, by a request in the form set out in Annex A to this note, open a special account (hereinafter referred to as "the Account") with the Crown Agents for Oversea Governments and Administrations, 4 Millbank, London SW1P 3JD (hereinafter referred to as "the Crown Agents"). The Account shall be operated in accordance with the instructions contained in the said request.

(b) As soon as the Account is opened and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of Peru shall furnish the Government of the United Kingdom with a copy of their instructions to the Crown Agents given in accordance with the foregoing provisions of this paragraph. The

¹ Came into force on 7 May 1975, the date of the note in reply, in accordance with the provisions of the said notes.

Government of Peru, or the Crown Agents on their behalf, shall at the same time and so often as any change is made therein, notify the Government of the United Kingdom of the names of the officers who are duly authorised to sign on its behalf the Requests for Drawing hereinafter provided and shall furnish a specimen signature in duplicate for each such officer.

(3) Save and to the extent (if any) to which the Government of the United Kingdom may otherwise agree, drawings from the loan shall be used only:

(a) for payments under a contract for the purchase in the United Kingdom (which expression in this Note shall be deemed to include the Channel Islands and the Isle of Man) of goods wholly produced or manufactured in the United Kingdom, or in the case of chemicals and allied products, goods which are duly declared to be of United Kingdom origin on the form set out in Annex C (Chemicals) to this Note, or for work to be done or for services to be rendered by persons ordinarily resident or carrying on business in the United Kingdom or for two or more of such purposes, being a contract which:

(i) provides for payment in sterling to persons carrying on business in the United Kingdom; and

(ii) is approved on behalf of the Government of Peru and accepted on behalf of the Government of the United Kingdom for financing from the loan; and

(iii) is a contract entered into after the date of this Note and before 31 March 1976.

(b) for payment of charges and commissions due to the Crown Agents in respect of their services on behalf of the Government of Peru in connection with this loan.

(4) Where the Government of Peru proposes that part of the loan shall be applied to a contract, that Government shall ensure that the Crown Agents acting on their behalf obtain at the earliest opportunity:

(i) a copy of the contract, or of a notification in the form set out in Annex B to this note; and

(ii) two copies of a certificate from the United Kingdom contractor concerned in the form set out in Annex C to this Note.

(5) (a) After the Crown Agents acting on behalf of the Government of the United Kingdom have considered the documents obtained in pursuance of the procedure described in the foregoing provisions of this Note, they shall decide whether and to what extent a contract is eligible for payment from the loan.

(b) To the extent that the Crown Agents acting on behalf of the Government of the United Kingdom so accept a contract or transaction and agree to payment from the Account, the Government of the United Kingdom shall, on receipt of a request from the Crown Agents acting on behalf of the Government of Peru, in the form set out in Annex D to this Note, make payments in sterling into the Account, and each such payment shall constitute a drawing on the loan.

(c) Unless the Government of the United Kingdom otherwise agrees payments into the Account shall not be made after the 31 March 1977.

(6) Withdrawals from the Account shall be made only in the manner and subject to the conditions set out in this paragraph:

(a) for payments due under a contract to which paragraph B(3) (a) refers, withdrawals shall be made only on receipt by the Crown Agents of Payment Certificates from the contractors concerned, in the form shown in Annex E hereto and the invoices (or a photocopy or duplicates of such invoices) referred to therein;

(b) for payments to which paragraph B(3) (b) refers, the Crown Agents shall debit the Account.

(7) If any monies that have been paid out of the Account are subsequently refunded either by the Contractor or by a Guarantor, the Government of Peru shall, so long as there are payments to be made from the Account, pay an equivalent of such sums into the Account and, in any other case, apply the refund to the reduction of the loan.

(8) The Government of Peru shall repay to the Government of the United Kingdom in pounds sterling in London, the total sum borrowed under the arrangements set out in this Note, such repayments to be made by instalments paid on the dates and in the amounts specified below; except that if, on the date when any such instalment is due to be paid, there is then outstanding less than the amount specified in relation to that date only the amount then outstanding need be paid.

INSTALMENTS

<i>Date due</i>	<i>Amount £</i>
1 August 1982 and on the 1 August in each of the succeeding 17 years . .	2,200
1 February 1983 and on the 1 February in each of the succeeding 16 years	2,200
on 1 February 2000	3,000

(9) Notwithstanding the provisions of paragraph 8 of this Note the Government of Peru shall be free at any earlier time to repay to the Government of the United Kingdom in pounds sterling in London the whole or any part of the loan that is still outstanding.

(10) In relation to goods and services provided with finance from the loan, the Government of Peru shall permit officers from the British Embassy and other servants or agents of the British Government to inspect any such goods or the documents relating to any such goods and services and shall furnish such officers, servants or agents with such information relating to the goods and services as the latter may reasonably require.

2. If the foregoing proposals are acceptable to the Government of Peru, I have the honour to propose that the present Note and its Annexes together with Your Excellency's reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on the date of your reply and it shall be known as the United Kingdom/Peru Loan Agreement No. 1/1975.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

K. D. JAMIESON

A N N E X A

GOVERNMENT OF THE REPUBLIC OF PERU

To: The Crown Agents for Oversea
Governments and Administrations
4 Millbank
London SW1P 3JD

Dear Sir

United Kingdom/Peru Loan No. 1/1975

1. I confirm your appointment as agents of the Government of the Republic of Peru (hereinafter called "the Government") in connection with the purchase and payment

for goods, works and/or services under the terms of the above loan to the value of eighty thousand pounds sterling.

2. I have to request you on behalf of the Government to open a Special Account in the name of the Government to be styled United Kingdom/Peru Loan No. 1/1975 Account (hereinafter called "the Account").

3. Payments into the Account will be made from time to time by Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland on receipt of requests in the form shown in Annex D to the United Kingdom/Peru Loan Agreement No. 1/1975 (a copy of which is attached hereto) and which you are hereby authorised to present on behalf of the Government. It is possible that, as a result of refunds becoming due from contractors, payments into the Account will also be made by the Government itself.

4. Payments from the Account are to be made only in respect of the amounts falling due under the contracts described in paragraph 1.B.(3) (a) and in respect of your commissions and charges as described in paragraph 1.B.(3) (b) of the above-mentioned Agreement and in the manner and subject to the conditions described in paragraph 1.B.(6) of that Agreement.

5. You are to send to the Government of the United Kingdom specimen signatures of the officers of the Crown Agents authorised to sign Requests for Drawing on behalf of the Government.

6. You are to send to the Government of Peru at the end of each month a detailed statement showing all debits to the account during the month.

7. Your charges and commissions for acting as our agents in connection with this loan shall be chargeable to the Account.

8. A copy of this letter has been sent to the Government of the United Kingdom.

Yours faithfully,

A N N E X B

NOTIFICATION OF CONTRACT

UNITED KINGDOM/PERU LOAN NO. 1/1975

To: The Government of the United Kingdom

Notification of Contract No.

The following are details of a contract under which it is proposed that payments shall be made in accordance with the terms and conditions of the above Loan.

- 1. Name and address of United Kingdom Contractor:
- 2. Date of Contract:
- 3. Name of Purchaser:
- 4. Short description of goods:
and/or works or services:
- 5. Value of Contract: £
- 6. Terms of Payment:

Signed on behalf of the Government
of the Republic of Peru

.....

Date

A N N E X C

UNITED KINGDOM/PERU LOAN NO. 1/1975

Acceptance

CONTRACT CERTIFICATE

(For chemicals and allied products use alternative "Certificate" overleaf)

Particulars of Contract

- 1. Date of Contract 2. Contract No.
- 3. Description of goods or services to be supplied to the purchaser

If a number of items are to be supplied, a detailed list should be appended to this certificate.

- 4. Total contract price payable by purchaser (state CIF, C & F or FOB) £

If goods are to be supplied the following sections must be completed.

If the contractor is exporting agent only, the information requested should be obtained from manufacturer.

- 5. Estimated percentage of the FOB value of the goods not originating in the United Kingdom, but purchased by the contractor directly from abroad, *i.e.* percentage of imported raw material or components used to manufacture.

- (a) Percentage FOB value
- (b) Description of items and brief specifications

- 6. If any raw material or components used originated from abroad, *e.g.* copper, asbestos, cotton, wood pulp, etc., but have been purchased in the United Kingdom by the contractor for this contract, specify:

- (a) Percentage FOB value
- (b) Description of items and brief specifications

If services are to be supplied, the following section should also be completed.

- 7. State the estimated value of any work to be done or services performed in the purchaser's country by:

- (a) Your firm (site engineer's charges, etc.)
- (b) Local contractor

- 8. Qualifying remarks as necessary in respect of paragraphs 5, 6 or 7 above

- 9. I hereby declare that I am employed in the United Kingdom by the Contractor named below and have the authority to sign this certificate. I hereby undertake that in performance of the contract no goods or services which are not of United Kingdom origin will be supplied by the Contractor other than those specified in paragraphs 5, 6, 7 and 8 above.

NOTE: For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

Signed

Position held

Name and Address of Contractor

Date

Contractors should note that goods should not be manufactured until acceptance has been notified.

FOR OFFICIAL USE ONLY

Name or number of Project

Payments

Amount committed	Date of entry	Acceptance			Amount	PA No.	Initials
		Date	Initials	Date			
£							

APPENDIX C (CHEMICALS)
 CONTRACT CERTIFICATE
 FOR CHEMICAL AND ALLIED PRODUCTS ONLY

1. Date of Contract Contract No.
 Project Title (if appropriate)

2.

<i>Description of Product(s) to be supplied to Purchaser (Note A)</i>	£ Price	<i>U.K. Tariff Classification No. (Note B)</i>	<i>Is the product of U.K. origin? (See Note C) State Yes or No</i>
.....			
.....			
.....			

3. Total [estimated] Contract Price payable by Purchaser in Sterling—£.....

4. *(Declaration)* I hereby declare that I am employed in the United Kingdom by the contractor named below and have the authority to sign this certificate, and that the above information is correct.

Signed

Position held

Name and Address of Contractor

Date

NOTES

- A. This form is only to be used for chemical and allied products, most of which are covered by the appropriate sub-headings of Chapters 15, 25, 28-35, and 37-40 of the United Kingdom Tariff.
- B. See:
 - (i) *Her Majesty's Customs and Excise Tariff, H.M.S.O.*
 - (ii) *Classification of Chemicals in Brussels Nomenclature, H.M.S.O.*

- C. (i) A product is regarded as “United Kingdom origin” if made either wholly from indigenous United Kingdom materials *or* according to the appropriate EFTA qualifying process using imported materials wholly or in part.
 - (ii) The EFTA qualifying processes are set out in Schedule 1 of the “*EFTA Compendium for use of Exporters*”, H.M.S.O.
 - (iii) For the purposes of this declaration it is to be emphasised that the “alternative percentage criterion” DOES NOT APPLY.
 - (iv) The words “Area Origin” where they appear in the above schedule must be taken to mean “United Kingdom Origin” only.
 - (v) For the purposes of this declaration, the “Basic Materials List” (Schedule III of the EFTA Compendium) does not apply.
 - (vi) If a qualifying process is not listed for the material in question, advice should be sought from Finance Department, Overseas Development Ministry, Eland House, Stag Place, London SW1E 5DH.
- D. For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

A N N E X D

UNITED KINGDOM/PERU LOAN No. 1/1975

D.F. No.

Please pay the sum of £ to the United Kingdom/Peru Loan No. 1/1975 Account at the Crown Agents. This sum shall, on payment into the Account, constitute a drawing on the Loan.

The balance in hand is £

.....
For the Crown Agents acting on behalf of the Government of the Republic of Peru

Funding approved ODM

A N N E X E

UNITED KINGDOM/PERU LOAN No. 1/1975

PAYMENT CERTIFICATE

I hereby certify that

(i) The payments referred to in the invoices listed below, which or copies of which accompany this payment certificate, fall due and are due to be made in respect of Contract No. dated between the contractor named below and [Purchaser] and are in accordance with the particulars of this contract notified in the contract certificate signed on behalf of the said contract on

<i>Contractor's Invoice No.</i>	<i>Date</i>	<i>Amount £</i>	<i>Short description of goods, works and/or services</i>
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(ii) The amounts specified in paragraph (i) do not include any additional foreign content to that declared in Paragraphs 5, 6 or 7 of the contract certificate.

(iii) I have the authority to sign this certificate on behalf of the Contractor named below.

Signed

Position held

For and on behalf of

Name and Address of Contractor

.....

Date

NOTE: For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

II

[SPANISH TEXT — TEXTE ESPAGNOL]

MINISTERIO DE RELACIONES EXTERIORES
LIMA

7 de mayo de 1975

Señor Embajador:

Tengo a honra dirigirme a Vuestra Excelencia para acusar recibo de su atenta Nota de fecha 7 de mayo de 1975, redactada en los siguientes términos:

« Tengo a honra hacer referencia a las recientes conversaciones relativas a la ayuda para el desarrollo que ofrece el Gobierno del Reino Unido de Gran Bretaña e Irlanda del Norte al Gobierno de la República del Perú, e informar a Su Excelencia que el Gobierno del Reino Unido está dispuesto a concluir un Convenio con el Gobierno del Perú en los términos expuestos más adelante. La posición del Gobierno del Reino Unido con relación al ofrecimiento financiero y el compromiso de este Gobierno y el Gobierno del Perú en cuanto a los aspectos relativos se establece, respectivamente, en la Parte A y la Parte B siguientes:

« A. El Gobierno del Reino Unido declara su intención de otorgar al Gobierno del Perú, en calidad de Préstamo, una suma que no exceda las 80.000 libras esterlinas para la adquisición, en el Reino Unido, de ciertos bienes y servicios que acuerden los Gobiernos del Perú y del Reino Unido para el programa de reconstrucción de la zona devastada por el terremoto de mayo de 1970. — B.1. El Gobierno del Reino Unido adoptará las disposiciones y los procedimientos descritos en los siguientes párrafos de esta Nota en la medida en que se relacionan con lo que se deba efectuar por o en nombre de dicho Gobierno. — 2. a. Para los fines de estas disposiciones, el Gobierno del Perú mediante una solicitud en la forma señalada en el Anexo A a esta Nota, abrirá una cuenta especial (denominada en adelante la « Cuenta ») en el Crown Agents for Oversea Governments and Administrations, 4 Millbank, London SW1P 3JD (en adelante denominado « Crown Agents »).

(ii) Las cantidades especificadas en el párrafo (i) no incluyen contenido extranjero adicional al declarado en los párrafos 5, 6 ó 7 del certificado del contrato.

(iii) Estoy autorizado a firmar este certificado en nombre del contratista mencionado más abajo.

Firma

Cargo

Por y a nombre de

Nombre y Dirección del Contratista

.....

Fecha

NOTA: Para los fines de esta declaración el Reino Unido incluye las Islas del Canal y la Isla de Man.

En respuesta, tengo a honra expresar a Vuestra Excelencia que lo que antecede es aceptable al Gobierno de la República del Perú y que la Nota de Vuestra Excelencia y esta Nota constituyen un Acuerdo entre nuestros dos Gobiernos, que ha entrado en vigor en la fecha.

Me valgo de la oportunidad para reiterar a Vuestra Excelencia las seguridades de mi más alta y distinguida consideración.

M. A. DE LA FLOR VALLE
General de División
Ministro de Relaciones Exteriores

[TRANSLATION¹ — TRADUCTION²]

*The Minister for Foreign Affairs of Peru to Her Majesty's Ambassador
at Lima*

MINISTRY OF FOREIGN AFFAIRS
LIMA

7 May 1975

Mr. Ambassador:

I have pleasure in writing to Your Excellency to acknowledge receipt of your note of 7 May 1975, which reads as follows:

[See note I]

In reply, I have the honour to inform Your Excellency that the foregoing is acceptable to the Government of the Republic of Peru and that Your Excellency's note and this note constitute an Agreement between our two Governments, which has come into effect on today's date.

I avail myself of this opportunity to reiterate to Your Excellency the assurances of my highest consideration.

M. A. DE LA FLOR VALLE
General de División
Minister for Foreign Affairs

¹ Translation supplied by the Government of the United Kingdom.

² Traduction fournie par le Gouvernement du Royaume-Uni.