

No. 15812

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

**Exchange of notes constituting an agreement concerning a
loan by the Government of the United Kingdom to the
Government of Peru (with annexes). Lima, 4 September
1975**

Authentic texts: English and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
25 July 1977.*

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

**Échange de notes constituant un accord relatif à un prêt du
Gouvernement du Royaume-Uni au Gouvernement
péruvien (avec annexes). Lima, 4 septembre 1975**

Textes authentiques : anglais et espagnol.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
25 juillet 1977.*

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 A 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

4 September, 1975

Your Excellency,

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. (1) 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 £325,000 (Three hundred and twenty-five thousand pounds) sterling towards the purchase in the United Kingdom of equipment to establish an international radio link between Peru and Bolivia.

(2) The Government of the United Kingdom agree that the Government of the Republic of Peru may on-lend the whole or any part of the loan to Empresa Nacional de Telecomunicaciones (ENTEL) Perú on condition that the interest charged to ENTEL Perú by the Government of Peru in respect of such on-lending shall not exceed that of the normal lending interest rate to public enterprises in Peru at the time of such on-lending and that the terms and conditions of this loan agreement apply as between our Governments notwithstanding such on-lending.

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 purposes 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, S.W.1 (hereinafter referred to as "the Crown Agents"). The Account shall be operated in accordance with the instructions contained in the said request.

¹ Came into force on 4 September 1975, the date of the note in reply, in accordance with the provisions of the said notes.

(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 sub-paragraph (a). The 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 of 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 equipment for an international radio link, being equipment wholly produced or manufactured in the United Kingdom, or for work to be done or for services to be rendered in connection with such equipment 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 a contract entered into after the date of this Note and before 1 February 1977;

(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 propose 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 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 1 May 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 reimbursing the Government of Peru the cost of consultancy services provided by a firm of consultants carrying on business in the United Kingdom and selected in consultation with and on terms approved by the Government of the United Kingdom;

(c) 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 a 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 the instalments paid on the dates and in the amount 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 February 1980 and on 1 February in each of the succeeding 20 years	7,800
1 August 1980 and on 1 August in each of the succeeding 19 years	7,800
and 1 August 2000	5,200

(9) The Government of Peru shall pay to the Government of the United Kingdom in pounds sterling in London interest on drawings from the loan in accordance with the following provisions:

- (a) the rate of interest in respect of each drawing shall be 3% (three per cent) per annum;
- (b) interest shall be calculated on a day-to-day basis on the balance of the loan for the time being outstanding;
- (c) the first payment of accrued interest (if any) shall be made on 1 August 1976 and subsequent payments shall be made on 1 February 1977 and thereafter on 1 August and 1 February in each successive year.

(10) Notwithstanding the provisions of paragraph (8) of this Note, the Government of Peru shall be free at any earlier time to repay the Government of the United Kingdom in pounds sterling in London the whole or any part of the loan that is still outstanding together with the accrued interest thereon calculated as in paragraph (9) up to the date of payment.

(11) The Government of Peru shall ensure the provision of such finance additional to the loan finance provided in accordance with the arrangements set out in this Note, as may be needed to complete the project.

(12) 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 Government of the United Kingdom 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 which shall be known as the United Kingdom/Peru Loan Agreement No. 2/1975.

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, S.W.1

Dear Sir,

United Kingdom/Peru Loan No. 2 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 £325,000 (three hundred and twenty-five thousand pounds sterling).

2. I have to request you on behalf of the Government to open a Special Account in the name of Empresa Nacional de Telecomunicaciones (ENTEL) Perú as agents of the Government to be styled United Kingdom/Peru Loan No. 2 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. 2 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 B (3) (a) and in respect of your commissions and charges as described in paragraph B (3) (b) of the above-mentioned Agreement and in the manner and subject to the conditions described in paragraph B (6) of that Agreement.

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

6. 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. 2 1975

To: The Crown Agents

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:

Date

.....
Signed on behalf of the Government
of the Republic of Peru

A N N E X C

UNITED KINGDOM/PERU LOAN NO. 2 1975

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

(a) % 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) % 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 paragraph 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.

Signed

Position held

Name and Address of Contractor

.....

Date

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

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

FOR OFFICIAL USE ONLY

Name or number of Project

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

A N N E X C (CHEMICALS)

CONTRACT CERTIFICATE FOR CHEMICAL AND ALLIED PRODUCTS ONLY

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

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

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 applied products, most of which are covered by the appropriate sub-headings of Chapters 15, 25, 28-35 and 37-40 of the U.K. Tariff.

B. See:

- (i) *H.M. 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 "U.K. origin" if made either wholly from indigenous U.K. 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 I 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 "U.K. 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 Crown Agents for Oversea Governments and Administrations, 4 Millbank, London, S.W.1.
- D. For the purpose of this declaration the U.K. includes the Channel Islands and the Isle of Man.

A N N E X D

UNITED KINGDOM/PERU LOAN NO. 2 1975

D.F. No.

Please pay the sum of £ to the United Kingdom/Peru Loan No. 2 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 £

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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. 2 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 contractor on

<i>Contractor's Invoice No.</i>	<i>Date</i>	<i>Amount £</i>	<i>Short description of goods, works and/or services</i>

(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

4 de setiembre de 1975

Señor Embajador:

Me es grato dirigirme a Vuestra Excelencia en relación a su atenta Nota, de fecha 4 de setiembre de 1975, redactada en los siguientes términos:

“Tengo a honra referirme a las reuniones recientes sobre ayuda para el desarrollo del 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 celebrar un Convenio con el Gobierno Peruano dentro de los términos siguientes. La posición del Gobierno del Reino Unido respecto a la financiación y el compromiso de ese Gobierno y el Gobierno del Perú con relación a los asuntos conexos figuran respectivamente en la Parte A y la Parte B siguientes.

“A (1) El Gobierno del Reino Unido declara que es su interés poner a disposición del Gobierno Peruano en calidad de préstamo una suma que no exceda L.E. 325,000 (trescientos veinticinco mil libras esterlinas) para la compra de equipos en el Reino Unido destinados a establecer un nexo radial internacional entre Perú y Bolivia. A (2) El Go-

relación al Contrato N°. de fecha entre el contratista que se menciona al pie y (comprador) y se conforman a los detalles del contrato consignados en el certificado de contrato firmado al respecto el

<i>Facuta del Contratista</i>	<i>Fecha</i>	<i>Cantidad</i>	<i>Breve descripción de bienes, trabajos y/o servicios</i>
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(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.

[TRANSLATION¹ — TRADUCTION²]

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

MINISTRY OF FOREIGN AFFAIRS
LIMA

4 September 1975

Your Excellency,

I have pleasure in writing to Your Excellency to acknowledge receipt of your Note of 4 September 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 Peru and that Your Excellency's Note together with

¹ Translation supplied by the Government of the United Kingdom.

² Traduction fournie par le Gouvernement du Royaume-Uni.

its Annexes and this Note constitute an Agreement between our two Governments which has entered into force on today's date.

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

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

[Annexes as under note I]
