

No. 19691

**UNITED STATES OF AMERICA
and
PERU**

Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed or insured by the United States Government and its agencies (with annexes). Signed at Lima on 5 July 1979

Authentic texts: English and Spanish.

Registered by the United States of America on 27 March 1981.

**ÉTATS-UNIS D'AMÉRIQUE
et
PÉROU**

Accord concernant la consolidation et le rééchelonnement de certaines dettes relatives à des crédits consentis, garantis ou assurés par le Gouvernement des États-Unis ou des organismes dépendant de celui-ci (avec annexes). Signé à Lima le 5 juillet 1979

Textes authentiques : anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 27 mars 1981.

AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF PERU REGARDING THE CONSOLI- DATION AND RESCHEDULING OF CERTAIN DEBTS OWED TO, GUARANTEED OR INSURED BY THE UNITED STATES GOVERNMENT AND ITS AGENCIES

The United States of America (the “United States”) and the Republic of Peru (“Peru”) agree as follows:

Article I. APPLICATION OF THE AGREEMENT

1. In accordance with the provisions of the understanding reached on November 3, 1978 (the “Understanding”) among representatives of certain nations, including the United States, and agreed to by the representative of Peru, the United States and Peru hereby agree to consolidate and reschedule certain Peruvian debts which are owed to, guaranteed by or insured by the United States or its agencies, as provided for in this Agreement.

2. This Agreement shall be implemented by separate agreements (the “Implementing Agreements”) between Peru and each of the following United States agencies: the Agency for International Development, the Commodity Credit Corporation, the Export-Import Bank of the United States, and the Department of Defense. The Department of Defense will include in its Implementing Agreement amounts which it will pay the Federal Financing Bank pursuant to contracts of guaranty covering contracts between the Federal Financing Bank and Peru.

Article II. DEFINITIONS

1. “Contracts” or “Original Contracts” means those agreements listed in Annex A, executed prior to January 1, 1978 with maturities falling due during the Consolidation Period.

2. “Debt” means the sum of principal payable with respect to Contracts having an original maturity of more than one year and due between January 1, 1979 and December 31, 1979 (“1979 Debt”) and between January 1, 1980 and December 31, 1980 (“1980 Debt”).

3. “Consolidated Debt” means ninety percent of the dollar amount of the Debt.

4. “Consolidation Period” means the period from January 1, 1979 through December 31, 1980.

5. “Interest” means interest on Consolidated Debt. Interest shall begin to accrue at the rates set forth in this Agreement on the respective due dates specified in each of the Original Contracts for each scheduled payment of Debt and shall continue to accrue until the Consolidated Debt is repaid in full. “Additional Interest” means interest on due but unpaid installments of Consolidated Debt and Interest. Additional Interest shall accrue from the due date of unpaid installments of Consolidated Debt and Interest until such amounts are paid in full.

¹ Came into force on 22 August 1979, upon receipt by Peru of written notice from the United States Government that domestic United States laws and regulations covering debt rescheduling had been complied with, in accordance with article V.

6. "Agency" means: Agency for International Development, the Commodity Credit Corporation, the Export-Import Bank of the United States, and the Department of Defense.

Article III. TERMS AND CONDITIONS OF PAYMENT

1. As provided for in paragraph 8 of the Understanding, Peru agrees to seek to secure from private creditors, including banks, financing or refinancing arrangements comparable to those detailed in this Agreement, making sure to avoid any discrimination between different categories of creditors.

2. The United States agrees to reschedule 1980 Debt on the conditions that:

- (a) Peru has secured the comparable arrangements with private banks noted in paragraph 1 above for 1979 maturities, and undertakes to effect comparable arrangements for 1980 maturities, and
- (b) The condition stated in paragraph 4 B (ii) of the Understanding has been fulfilled.

3. Peru agrees to repay the Consolidated Debt and Interest in United States dollars in accordance with the following terms and conditions:

- (a) The Consolidated Debt relating to Debt falling due between January 1 and December 31, 1979 and amounting to \$55.5 million shall be repaid in ten equal semi-annual installments of \$5.55 million, commencing on January 1, 1982, with the final installment payable on July 1, 1986.
- (b) The Consolidated Debt relating to Debt falling due between January 1 and December 31, 1980 and amounting to \$49.7 million shall be repaid in eight equal semiannual installments of \$6.21 million, commencing on January 1, 1983, with the final installment payable on July 1, 1986.
- (c) The rate of Interest shall be 2.7 percent per calendar year on the outstanding balance of the Consolidated Debt due to the Agency for International Development, 8.0 percent per calendar year on the outstanding balance of Consolidated Debt due to, guaranteed by, or insured by the Export-Import Bank of the United States, and 9.0 percent per calendar year on the outstanding balance of Consolidated Debt due to or guaranteed by the Commodity Credit Corporation, and the Department of Defense. All Interest payable with respect to the Consolidated Debt shall be payable semi-annually on January 1 and July 1 of each year commencing on July 1, 1979 on 1979 Debt and July 1, 1980 on 1980 Debt unless otherwise specified in the respective Implementing Agreements. The rate of Additional Interest shall be the same as the rate of Interest for each Agency.
- (d) A table summarizing the amounts of the Consolidated Debt owed to the United States and each Agency is attached hereto as Annex B.

4. It is understood that adjustment will be made in the amounts of Consolidated Debt specified in paragraph 3 of this Article by the Implementing Agreements. In part, this will reflect disbursements made to liquidate the Debt during the Consolidation Period.

Article IV. GENERAL PROVISIONS

1. Peru agrees to grant the United States and its agencies, and any other creditor which is party to an Original Contract, treatment and terms no less

favorable than that which may be accorded to any other creditor country or agency thereof for the consolidation of debts covered by the Understanding.

2. Except as they may be modified by this Agreement or subsequent Implementing Agreements, all other terms and conditions of the Original Contracts remain unchanged. In particular, Peru agrees to pay that portion of the Debt not constituting Consolidated Debt and interest on such Debt as provided in the Original Contracts.

3. The Agency for International Development will confine the rescheduling of its Debt to the 22 direct loans listed in Annex A, provided that the amounts rescheduled by the Agency for International Development shall be equivalent to the amounts due to be rescheduled as set forth in this Agreement. Peru agrees to pay all future sums, as and when due, on loans HG-003, HG-005/8 and HG-009 which will not be rescheduled by the Agency for International Development.

Article V. ENTRY INTO FORCE

This Agreement shall enter into force for 1979 Debt upon receipt by Peru of written notice from the United States Government that domestic United States laws and regulations covering debt rescheduling concerning this Agreement have been complied with.

This Agreement shall enter into force for 1980 Debt upon receipt by Peru of written notice from the United States Government that the United States considers Peru in compliance with the conditions stated in Article III, paragraph 2, of the Agreement.

DONE at Lima, in duplicate, this fifth day of July, 1979.

[Signed — Signé]¹

For the United States of America

[Signed — Signé]²

For the Republic of Peru

ANNEX A

LOAN AGREEMENTS SUBJECT TO RESCHEDULING

Agency for International Development

Direct Loans

527-A-018	L 027
019	028
020	029
527-G-005	034
006	042
007	045
K-021	046
L-022	047
023	048
024	048 B
025	051

¹ Signed by Harry W. Shlaudeman — Signé par Harry W. Shlaudeman.

² Signed by F. Reus — Signé par F. Reus.

Guaranty

527-HG-003
005/8
009

*Export-Import Bank**Direct loans*

2155
2155-A
5556
5577
5590

Financial guarantees

5903-FG
6134-FG
6245-FG

CFF credits and guarantees

12735/20251
13934/20165

Bank guarantees

G-3-299	G-68-136
G-25-154	G-129-70
G-32-35	G-190-96R
G-43-103	G-246-11
G-43-124	G-288-31

Medium term insurance

MT-10027	MT-23001
MT-10129-R	MT-25452
MT-11009	MT-30594
MT-11034-PS	MT-36933
MT-21287	MT-21147R
MT-23000	

*Commodity Credit Corporation**GSM numbers*

13720	14241	14318
13721	14245	14352
13849	14261	14353
13853	14269	14357
13855	14275	14409
14084	14286	14473
14235	14287	14476
14238	14300	14478
14239	14313	20337
14240	14315	20338

Department of Defense

Direct

741 D

Guarantee

741 G

751 G

765 G

771 G

ANNEX B

SUMMARY OF DEBT

(\$ Million)

	90 percent of payments falling due from 1/1/79 through 12/31/79	90 percent of payments falling due from 1/1/80 through 12/31/80
Agency for International Development . .	4.2*	4.9*
Export-Import Bank	10.6	12.4
Commodity Credit Corporation	31.3	23.0
Department of Defense	9.4	9.4
TOTAL	55.5	49.7

* Equals 90 percent of the total amount of maturities on loans and guarantees listed in Annex A falling due to the Agency for International Development.