

**No. 24836**

---

**SPAIN  
and  
PERU**

**Agreement for the establishment of a food aid counterpart  
fund (with annexes). Signed at Lima on 20 October 1986**

*Authentic text: Spanish.*

*Registered by Spain on 24 June 1987.*

---

**ESPAGNE  
et  
PÉROU**

**Accord relatif à l'établissement d'un fonds de contrepartie  
d'aide alimentaire (avec annexes). Signé à Lima le 20 oc-  
tobre 1986**

*Texte authentique : espagnol.*

*Enregistré par l'Espagne le 24 juin 1987.*

## [TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> BETWEEN THE KINGDOM OF SPAIN AND THE  
REPUBLIC OF PERU FOR THE ESTABLISHMENT OF A FOOD AID  
COUNTERPART FUND

Whereas the Government of the Republic of Peru (hereinafter referred to as Peru) and the Government of Spain (hereinafter referred to as Spain), in accordance with article I, paragraph 3 of the Basic Agreement on Scientific and Technical Co-operation<sup>2</sup> that is currently in force and in view of the prospects of an increase in technical co-operation resulting from the Spanish food aid supplied to Peru, have decided to conclude an Agreement for the establishment of a Counterpart Fund intended to finance development and co-operation projects arranged by mutual agreement between their two countries.

The two Governments, desiring to define the rules that shall govern the management, control and authorization of this Fund, have agreed as follows:

*Article I. RESPONSIBLE AUTHORITIES*

1. Peru appoints the Ministry of Foreign Affairs and the National Planning Institute as agencies responsible for executing this Agreement and the obligations arising from it.

2. Spain appoints its Embassy in Lima as the agency responsible for executing its obligations arising from this Agreement.

*Article II. PROJECTS*

1. Peru undertakes to establish a Fund to finance development and co-operation projects in agreement with Spain.

2. The Fund shall be financed by the net proceeds from food aid supplied by Spain.

*Article III. RESPONSIBILITIES UNDERTAKEN BY PERU*

Peru shall open a separate account (hereinafter entitled the "Spanish-Peruvian Food-Aid Counterpart Fund") at the National Bank (Banco de la Nación), with the approval of Spain, and undertakes:

1. In conformity with the applicable national regulations, to exempt the materials required to implement the development and co-operation projects mentioned in article II, paragraph 1, from port charges, import and export duties and other public taxes, as well as from storage charges. No permit shall be required for the import of the said materials;

2. That the Ministry of Foreign Affairs and the National Planning Institute shall appoint an official to audit the account in which the funds are to be deposited;

3. To guarantee that the procedures for the management and control of the Fund are implemented in accordance with the terms of article IV and Annexes A and B of this Agreement.

4. To guarantee that the Counterpart Fund is used in conformity with article V of this Agreement.

<sup>1</sup> Came into force on 20 October 1986 by signature, in accordance with article X (2).

<sup>2</sup> United Nations, *Treaty Series*, vol. 1025, p. 103.

#### Article IV. MANAGEMENT AND CONTROL OF THE COUNTERPART FUND

The management and control procedures for the Counterpart Fund shall be as follows:

1. *Concerning the management apparatus*

Payments into and out of the Counterpart Fund shall be made in the manner described in Annex A.

2. *Concerning the special bank account entitled "Spanish-Peruvian Food-Aid Counterpart Fund"*

The National Planning Institute shall act as treasurer of the Fund's resources, through a bank account opened especially for that purpose at the National Bank (Banco de la Nación) and in conformity with the rules currently in force.

The National Bank (Banco de la Nación) shall operate in accordance with the guidelines established in Annex B.

3. *Concerning financial reports*

In conformity with the current procedure regarding budget reports, for the fiscal period, the Ministry of Foreign Affairs and the National Planning Institute, acting through their appointed auditor, shall provide Spain on request with a certified annual statement of transactions, receipts and expenditures.

4. *Concerning access to information on the administration of the Counterpart Fund*

Peru, through its appointed auditor shall afford Spain and its Representatives, access to the accounts and other documents relating to the administration of the Counterpart Fund upon request.

#### Article V. UTILIZATION OF THE COUNTERPART FUND

1. The Fund, constituted by the net proceeds from the sale of food aid consisting of staple commodities or any other Spanish produce, shall direct its assistance mainly to developing the bilateral co-operation projects that make up its Programme, to agricultural production activities connected with the rural development of peasant communities, to operations complementing the Development Programme for Emergency Areas, and to such other activities as its Administrative Committee may consider relevant, provided that they are connected with concern for the country's least privileged groups. The above-mentioned development and co-operation projects shall be arranged by agreement between the two countries, through a Spanish-Peruvian Administrative Committee to be established each year as soon as Spain informs Peru of the extent of its food aid for the year in question.

2. The Fund's Administrative Committee shall consist of representatives of the Embassy of Spain in Lima, the Ministry of Foreign Affairs of Peru and the National Planning Institute. These representatives shall meet annually to allocate funds on the basis of the projects submitted by the National Planning Institute through the usual channels.

3. Provision shall be made from the Counterpart Fund only for the benefit of development and co-operation projects approved by the *ad hoc* Committee.

#### Article VI. ASSESSMENT

1. It is agreed that Peru and Spain shall meet annually on the proposal of one of the Parties to assess the utilization of the Fund in accordance with the procedures established in the *ad hoc* Committee.

*Article VII. GENERAL UNDERTAKINGS*

1. Peru and Spain shall ensure that this Agreement is observed with due care and efficiency, and each Party shall supply the other with any information for which a reasonable request is made.

2. Peru shall grant the representatives accredited by Spain all reasonable facilities to visit any part of its territory for the purposes envisaged in this Agreement.

3. Peru and Spain accept and agree that the articles of this Agreement and its annexes A and B are integral parts of the Agreement.

*Article VIII. SUSPENSION*

Spain shall reserve the right, following consultation with the Peruvian authorities, to suspend its participation in subsequent stages of projects agreed by the *ad hoc* Committee in the event that serious anomalies occur in:

- (1) The depositing of payments for Spanish produce to the account of the Counterpart Fund;
- (2) The management, control and utilization of the Fund.
- (3) The performance of any other undertaking assumed under this Agreement.

Participation by Spain may be resumed following rectification of such anomalies.

*Article IX. COMMUNICATIONS*

1. Any document or communication provided under this Agreement and its annexes by either Peru or Spain shall be provided in writing and shall be sent by messenger, mail, telegram, cable or radio to the following addresses:

Peru:

Ministerio de Relaciones Exteriores del Peru  
Ucayali, 363  
Lima 1, Peru  
Telex: 20142 PE ESTADO  
25376

Spain:

Embajada de España en Lima  
Avda. República de Chile, 120  
Lima, Peru  
Telex: 25297 PE EMBASPA

*Article X. SIMULTANEOUS IMPLEMENTATION OF THE AGREEMENT*

1. This Agreement and its annexes may be amended by agreement.

2. This Agreement shall enter into force on the date of its signature.

SIGNED at Lima on 20 October 1986, in duplicate, both copies being equally authentic.

For the Government  
of the Republic of Peru:

[Signed]

ALLAN WAGNER  
Minister for Foreign Affairs

For the Government  
of the Kingdom of Spain:

[Signed]

JOSÉ LUIS DICENTA  
Ambassador of Spain at Lima

## ANNEX A

## MANAGEMENT PROCEDURES FOR THE FOOD AID COUNTERPART FUND

1. The Counterpart Fund shall be jointly administered by the Ministry of Foreign Affairs, the National Planning Institute and representatives of the Embassy of Spain in Lima.

2. Because the Counterpart Fund is subject to joint administration, its programme of commitments and use must be approved by the National Planning Institute and the representative of the Embassy of Spain in Lima.

3. Based on the joint programme of use worked out by the Fund's Administrative Committee provided for in article V, paragraphs A and B, the National Planning Institute shall draw up documents authorizing use of the Fund indicating:

(a) The name of the bank, the holder of the account and the exact amount requested.

(b) The report on the proposed use and allocation of funds for the project.

(c) The budgetary estimate of planned expenditures compared with the amount requested and the schedule of payments.

4. The National Planning Institute shall authorize payments.

A copy of each order for payment shall be returned to the National Planning Institute and to the Embassy of Spain in Lima.

## ANNEX B

## AGREEMENT CONCERNING THE SPECIAL BANK ACCOUNT OF THE FOOD AID COUNTERPART FUND

The two Governments agree to and approve the following procedure to be observed by the National Bank (Banco de la Nación), where the account of the Spanish-Peruvian Counterpart Fund shall be opened.

1. The National Bank (Banco de la Nación) shall pay interest on deposits in the bank account entitled "Spanish-Peruvian Food Aid Counterpart Fund". The administrative costs for the account shall be the lowest levied by the Bank.

2. The National Bank (Banco de la Nación) shall prepare monthly bank statements detailing every transaction and shall transmit them to both Governments via the National Planning Institute. The National Planning Institute shall provide the Embassy of Spain in Lima with all documentation concerning movements in the account at the National Bank (Banco de la Nación).

3. The National Bank (Banco de la Nación) shall immediately inform the National Planning Institute of any deposits made in the bank account entitled "Spanish-Peruvian Food Aid Counterpart Fund" and the Institute shall in turn inform the Spanish Party.

4. The National Bank (Banco de la Nación) shall send a copy of all bank documents (debit advice, credit advice, etc.), to the National Planning Institute at the time of the transaction; the Institute shall pass the information on to the Spanish Party.