

BB-2000

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF PERU

AND

THE GOVERNMENT OF THE SWISS CONFEDERATION

CONCERNING A BALANCE OF PAYMENTS ASSISTANCE

IN SUPPORT OF

A TRADE SECTOR PROGRAM

The Government of the Republic of Peru and the Government of the Swiss Confederation,

Having regard to the friendly relations between the two countries,

Desirous of strengthening these relations and their fruitful cooperation,

Intending to promote further the economic and social development of the Republic of Peru,

Have agreed as follows:

Article 1

Definitions

In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

1. "Swiss Government" means Government of the Swiss Confederation;
2. "Government of Peru" means Government of the Republic of Peru;
3. "Contribution" means the contribution granted by the Swiss Confederation under this Agreement;
4. "Contracting Parties" means the Swiss Government and the Government of Peru;
5. "IDB" means the Inter-American Development Bank;
6. "Program" means the Program of actions, objectives and policies designed to achieve reforms of the trade sector in the frame of the Trade Sector Loan 631/OC-PE from the IDB to the Government of Peru.

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Article 2

Objective of the Program

The objective of the Program is to foster the development of a strong, efficient, and responsive trade sector, to provide the needed support for the ongoing stabilization and structural adjustment effort of the Government of Peru.

Article 3

Amount and Utilization of the Contribution

- 3.1. The Swiss Government agrees to make a non-reimbursable Contribution of US\$ 10 million (ten million United States dollars) to the Government of Peru in addition to the First Tranche of the Loan 631/OC-PE. This Contribution is made in the framework of an international action to support clearing of arrears of the Republic of Peru towards multilateral organizations.
- 3.2. The Contribution will finance the foreign currency cost of imports and services, including freight and other services associated with the supply of goods, and can be utilized for retroactive financing. The eligible imports shall follow those specific regulations established under Loan 631/OC-PE. The following items are also not eligible for financing out of the Contribution: fertilizers, food and fuel.
- 3.3. No proceeds of the Contribution shall be used for the payment of any duties and taxes (import duties, levies and fees of any kind) imposed under the law of the Republic of Peru.

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Article 4

Administration of the Contribution

- 4.1. In agreement with the Government of Peru, the Swiss Government shall appoint the IDB as Administrator of the Contribution. The respective obligations of the Swiss Government and the IDB shall be defined in a letter of understanding for the purpose of the Program to be entered into between the IDB and the Swiss Government (hereinafter referred to as the Letter of Understanding).
- 4.2. The Letter of Understanding will be signed by the Swiss Government and delivered to the IDB for signature immediately after the signing of this Agreement. A signed copy of this letter shall be delivered by the Swiss Government to the Government of Peru.

Article 5

Account and Disbursement Procedures

- 5.1. After the Letter of Understanding has been signed by the Swiss Government and the IDB, the Swiss Government shall open an account in the name of the Government of Peru for the purpose of the Program. The account shall be credited by the Swiss Government no later than December 31st, 1991, with the full amount of the Contribution, which can be entirely utilized.
- 5.2. The IDB will be entitled to draw on the account for the benefit of the Government of Peru to meet all eligible expenditures to be financed out of the Contribution in accordance with the provisions of Article 3 of this Agreement and of the Letter of Understanding.



Article 6

Utilization of the local Counter-value of the Contribution

The Government of Peru agrees to make available the countervalue of the Contribution in local currency to programs in the social sector, with special emphasis in the lower income segments of the population, such as the "Programa de Alimentación Escolar". Upon agreement by the Contracting Parties, counter-value funds may be allocated to similar programs.

Article 7

Consultations and Inspections

- 7.1. The Contracting Parties shall fully cooperate to ensure that the general objectives of the Program will be achieved. The Contracting Parties shall take all necessary steps to facilitate the smooth implementation of the Program.
- 7.2. As and when the need arises, the Contracting Parties shall, at the request of either Party, exchange views and inform each other through their representatives with regard to the performance of their respective obligations under this Agreement, the administration of the Program and the operations financed under the Program. The Contracting Parties shall promptly inform each other of any condition which interferes with, or threatens to interfere with the accomplishment of the purposes of the Program.
- 7.3. The Government of Peru shall furnish to the Swiss Government all such relevant information as the Swiss Government shall reasonably request concerning the

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Program and, where appropriate, the benefits to be derived from it. Specially, while transmitting a withdrawal application to the IDB, the Government of Peru authorizes the IDB to provide the Swiss Government with a copy of such withdrawal application, including all supporting documents.

7.4. The Government of Peru shall furnish to the Swiss Government all such relevant information as the Swiss Government shall reasonably request concerning the utilization of the local counter-value funds of the Contribution, as specified in Article 6 of this Agreement.

7.5. The Government of Peru authorizes the IDB to inform the Swiss Government of the results of the Program, including the timely transmittal of its supervision reports. The IDB is authorized by the Government of Peru to invite the Swiss Government to participate in any Program supervision or completion mission regarding the Swiss Contribution.

Article 8

Amendments

Amendments to this Agreement shall be effected by way of exchange of letters.

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Article 9

Termination

- 9.1. In the event of wilful and persistent default by any one of the Contracting Parties in the fulfilment of any commitment or obligation under this Agreement or any other balance of payments support agreement between the Contracting Parties, the other Party may suspend the application of the Agreement and, should the reason for the suspension continue beyond ninety days, may cancel the Agreement.
- 9.2. The Government of Peru may, by notice to the Swiss Government and the IDB, cancel any amount of the Contribution the Government of Peru shall not have withdrawn by the closing date as defined in Article 10 of this Agreement.
- 9.3. The Swiss Government may, after consultation with the Government of Peru and the IDB, cancel any amount of the contribution which are not required for the implementation of the Program.

Article 10

Entry into Force and Closing Date

- 10.1. The Agreement will enter into force on the date both Contracting Parties have signed.
- 10.2. The closing date for presenting withdrawal applications for disbursements from the Contribution shall be sixty (60) days after the signing of this Agreement by the Contracting Parties, or such later date as shall be agreed upon by the Contracting Parties.
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LE CONSEIL FÉDÉRAL SUISSE

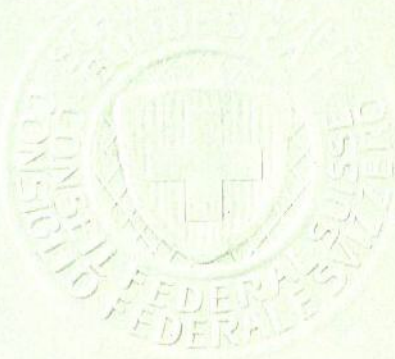
FAIT SAVOIR PAR LES PRÉSENTES

qu'il a autorisé

Monsieur Nicolas I m b o d e n , ambassadeur, délégué aux accords commerciaux, à signer l'Accord entre le Gouvernement de la Confédération suisse et le Gouvernement de la République du Pérou concernant une aide à la balance des paiements dans le cadre d'un programme de réforme dans le secteur commercial.

En foi de quoi, les présentes ont été signées par le Président et le Chancelier de la Confédération suisse et munies du sceau du Conseil fédéral.

Berne, le 13 novembre 1991



AU NOM DU CONSEIL FEDERAL SUISSE

Le Président de la Confédération:

Le Chancelier de la Confédération: