**PROJECT AGREEMENT**

**BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.),**
**AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**
**THE MINISTRY OF FINANCE AND COMMERCE**
**AN AGENCY OF THE GOVERNMENT OF PERU**

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in the Standard Provisions Annex and in any additional annexes attached hereto.

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented.

- **General Agreement for Technical Cooperation**
  - Date: January 25, 1961

- **Economic Cooperation Agreement**
  - Date: 

- **Other:**
  - Date: 

### 1. Project No.

5274A-72-AB-2

### 2. Agreement No.

Three

### 3. Project Title

Training and Advisory Services in Public Administration (Customs Improvement)

(See Annex A attached)

### 4. I.C.A. Appropriation Symbol

### 5. I.C.A. Allocation Symbol

### 6. DOLLAR FINANCING

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<th>PREVIOUS TOTAL</th>
<th>INCREASE</th>
<th>DECREASE</th>
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<td>(b) Contract Services</td>
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<td>(c) Commodities</td>
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<td>(d) Other Costs</td>
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**COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT**

$160,000

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### 10. Special Provisions

Annexes attached to and forming part of this agreement are:

- Standard Provision Annex
- Annex A - Project Description

**Date of Original Agreement:** April 10, 1963
**Date of this Revision:** 
**Final Contribution Date:** December 31, 1965

**FOR THE Cooperating Agency:**

Augusto Valdez Oriedo, Minister of Finance and Commerce

**FOR THE Director, USAID, A.I.D.:**

Robert S. Cumhertson, Director, USAID/Peru
I. General Description

A. This project is concerned with the program of the Government of Peru to improve the administration of the customs system and of the related activities of the Ministry of Finance and Commerce. The intended improvements include the following:

1. To improve and expand the present modern system on procedures and organization of Customs & Ports, taking advantage of the electronic system " khiển" 305 recently installed to permit maximum efficiency through simplification and mechanization.

2. To establish procedures and organization for obtaining the maximum compliance with tariff and customs laws and regulations.

3. To improve the quality of customs services through a better training program at the School for Technical Training in Customs.

4. To obtain the material requirements necessary for effective operation and control of such a modernized customs.

B. More specifically, the Government of Peru intends that the activities to be pursued shall include, but not be limited to, the following:

1. The design and implementation of a mechanized customs system for all types of transactions.
using automatic data processing equipment to the maximum extent possible, from the time of delivery of merchandise to the port or to customs custody to the time of its release therefrom, including the accounting and statistical operation.

2. The design and establishment of a customs organization in keeping with the requirements of the new systems, reducing administrative costs to the minimum.

3. To issue and implement a new Custom Law which will establish the conditions and limitations regarding the granting of special exemptions from custom duties.

4. The establishment of procedures and organization capable of effectively combatting contraband, as well as controlling the accounting for cargo, the appraisal, liquidation and payment of customs duties and the granting of special exemptions from duties.

5. The establishment of concentrated in-service and seminar training for key customs officials, as well as training in the U.S. and third countries of selected specialists.

6. The establishment of a rigorous program of selection of all new employees, based on capability and character as the primary considerations, and an intensified effort to eliminate unsatisfactory employees through justly applied

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<td>An Agency of the Government of Peru</td>
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lizando equipo automático para el procesamiento de datos hasta donde sea posible, desde el momento de entrega de mercadería en el puerto o en la aduana hasta su salida, cuyo sistema incluirá las operaciones contables y estadísticas.

2. Formulación y establecimiento de una organización aduanera acorde con las necesidades de los nuevos sistemas, reduciendo los costos administrativos al mínimo.

3. La formulación y puesta en práctica de una nueva Ley de Aduanas, que establezca las condiciones y limitaciones para la concesión de exoneraciones especiales de derechos aduaneros.

4. El establecimiento de procedimientos y de una organización capaz de combatir eficazmente el contrabando, así como llevar un control de la carga, controlar el aforo, liquidación y pago de los derechos aduaneros, y la concesión de las exoneraciones.

5. La implantación de un adiestramiento intensivo "en servicio" y por medio de seminarios para los funcionarios de aduana de la plana mayor, así como el perfeccionamiento de especialistas selectos en los Estados Unidos y otros países.

6. El establecimiento de un programa riguroso de selección de todo nuevo empleado, basada en la capacidad y carácter de éstos como los requisitos principales y un esfuerzo empeñoso para eliminar aquellos empleados que no brinden servicios satisfactorios aplicando medidas disici...
disciplinary measures.

7. The issuance or revision, where possible, or the effort to bring about the issuance or revision of any resolutions, decrees or laws necessary to establish an adequate legal foundation for the foregoing.

II. U.S. Contribution

Contingent upon the annual availability of funds, the Agency for International Development will provide the following:

A. Such technical experts in customs administration, as may be required, to consult and work with the customs administrators and technicians of the Government of Peru in reaching the objectives of this project. Such personnel will be subject to the approval of the Government of Peru prior to their respective assignments.

B. Training in the United States and/or third countries for selected participants, as mutually agreed upon, as contributing to the program goals.

C. Exported demonstration equipment and training aids as may be required to supplement those in use in order to expedite implementation of the program.

III. Government of Peru Contribution

A. The Government of Peru is

II. Aporte de los Estados Unidos

Los Estados Unidos proporcionarán con subordinación a la disponibilidad anual de fondos, lo siguiente:

A. Los expertos en administración aduanera que se requieran como consultores y para trabajar con los administradores de aduanas y técnicos del Gobierno del Perú a fin de alcanzar los objetivos del presente proyecto. Este personal estará sujeto a la aprobación del Gobierno del Perú, con anterioridad a sus respectivos nombramientos.

B. Capacitación en los Estados Unidos y/o en otros países de los becarios que sean seleccionados de mutuo acuerdo, sobre la base de su contribución a lograr las metas establecidas en el programa.

C. El equipo de demostración y las ayudas de adiestramiento que se requieran para completar aquello que se encuentra actualmente en uso y así acelerar la puesta en marcha del programa.

III. Aporte del Gobierno del Perú

A. El Gobierno del Perú se
fully responsible for all aspects of customs administration and for all costs connected therewith. The annual budget for customs administration is $ 62,589,346.00 ($2,335,423.00).

3. The Customs administration will provide office space, secretarial services, supplies and office equipment, and related services for the technical experts provided by the United

G. The Government of Peru will take such steps as may be necessary to finance the capital costs of the major mechanization aspects of the program outlined above including seeking credit arrangements with external sources if its own resources should be inadequate.

IV. Other Provisions

The Government of Peru and U.S.A.I.D. agree to give full publicity to the objectives and progress of this project and full identification through this publicity that the project is a joint undertaking under the Alliance for Progress.

V. Duration of the Project

This project will be in effect from the date of signature through December 31, 1965.

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<th>FOR THE COOPERATING AGENCY</th>
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