# Project Agreement

**BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND MINISTERIO DE VIVIENDA 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 any annexes attached hereto, as checked below:

- **Project Description**: Annexe A
- **Standard Provisions Annex**: Yes
- **Special Provisions Annex**: No
- **General Agreement for Technical Cooperation**: Date 1/25/51

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

- **Economic Cooperation Agreement**: Date

## Project/Activity Title

HOUSING AND URBAN DEVELOPMENT

## Project Description and Explanation

(See Annex A attached)

## Aid Appropriation Symbol

72-1131010

## Aid Allotment Symbol

395-50-527-00-69-31

## Aid Financing

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<th>Increase (B)</th>
<th>Decrease (C)</th>
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## Cooperating Agency Financing - Dollar Equivalent

$1.00 = S/.43.38

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## Special Provisions

The Additional Continuation Sheets, if necessary

## Date of Original Agreement

June 30, 1974

## Date of This Revision

Signature: [Signatures]

## Estimated Final Contribution Date

Title: [Titles]

## For the Cooperating Government or Agency

Date: [Dates]

## For the Agency for International Development

Date: [Dates]
State’s Government employees, or employees of public or private organizations under contract with, or individuals under contract with, AID, the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Project Agreement, are, under the laws, regulations, or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country), the Cooperating Agency will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. Any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with, AID, the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Project Agreement shall be subject to the approval of the Cooperating Agency and AID, and shall be under the general direction of the Director of the Mission to the cooperating country.

K. If any commodity is furnished to the Cooperating Agency, or any public or private agency authorized by the Cooperating Agency, on a grant basis through financing by AID pursuant to this Project Agreement under arrangements which will result in the accrual of proceeds to the Cooperating Agency or any authorized agency and if the applicable agreement between the two governments referred to on the first page of this Project Agreement does not provide for the establishment of a Special Account and the deposit therein of currency of the cooperating country, the Cooperating Agency will make such arrangements as may be necessary to establish a Special Account and to deposit therein currency of the cooperating country in amounts equal to such proceeds, in accordance with such terms and conditions as may be agreed upon. Funds in the Special Account may be used only as agreed upon by AID and the Cooperating Agency; provided, that such portion of the funds in the Special Account as may be designated by AID shall be made available to AID to meet the requirements of the United States.

L. The Cooperating Agency will make such arrangements as may be necessary so that funds introduced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

M. AID shall expend funds and carry on operations pursuant to this Project Agreement only in accordance with the applicable laws and regulations of the United States Government.

N. The two parties shall have the right at any time to observe operations carried out under this Project Agreement. Either party during the term of the Project and three years after the completion of the project, shall further have the right (1) to examine any property procured through financing by that party under this Project Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by that party under this Project Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Project Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of AID and the Cooperating Agency, and submitted to AID and the Cooperating Agency. The Completion Report shall include a summary of the actual contributions by both AID and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. AID and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

P. The present Agreement shall enter into force when signed. Either party may terminate this Project Agreement by giving the other party 30 days written notice of intention to terminate it. Termination of this Project Agreement shall terminate any obligations of the two parties to make contributions pursuant to Paragraphs 8 and 9 of this Project Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of the Project Agreement. It is expressly understood that the obligations under Paragraph H relating to the use of property shall remain in force after such termination.
### PROJECT AGREEMENT BETWEEN AID AND MINISTERIO DE VIVIENDA AN AGENCY OF THE GOVERNMENT OF PERU

This Project Agreement is entered into by the Government of Peru and the Agency for International Development (AID) pursuant to the assistance program of the United States in support of housing and urban development in Peru.

1. **BACKGROUND**

   A. The adobe is a material which has been and continues to be widely used in Peru for housing construction. The reason for this is largely because of its low cost and simplicity of use. Nevertheless, the effects of the recent earthquakes, especially the May 31, 1970 earthquake, which destroyed or severely damaged a high percentage of adobe buildings, have demonstrated the pressing necessity for the improvement of adobe material and construction techniques.

   B. On March 14, 1972, the Government of Peru and the Agency for International Development signed Agreement No. 8 of the Housing and Urban Development Project, No. 527-11-830-065. By this Agreement, the AID made available to the Government of Peru, an amount of up to $96,000 for the development of a Program for the Improvement of the Adobe Construction. The specific objectives of this Program were the production of a low-cost, high-quality, stabilized adobe block and the development of adequate structural designs and building techniques for anti-seismic adobe construction.

Este Convenio de Proyecto se celebra entre el Gobierno del Perú y la Agencia para el Desarrollo Internacional (AID) en conformidad con el programa de asistencia de los Estados Unidos en apoyo del desarrollo urbano y vivienda en el Perú.

1. **ANTECEDENTES**

   A. El adobe es un material que ha sido y continúa siendo muy utilizado en el Perú para la construcción de vivienda. Esto se debe a su bajo costo y facilidad de empleo. Sin embargo, los efectos producidos por recientes sismos, especialmente el del 31 de Mayo de 1970 que destruyeron u ocasionaron serios daños en un alto porcentaje de construcciones de adobe, han demostrado la necesidad urgente de mejorar los materiales y las técnicas de construcción con adobe.

   B. El 14 de Marzo de 1972, el Gobierno del Perú y la Agencia para el Desarrollo Internacional suscribieron el Convenio No. 8 del Proyecto de Desarrollo Urbano y Vivienda, No. 527-11-830-065. Mediante este Convenio, la AID puso a la disposición del Gobierno Peruano un monto de hasta $96,000 para desarrollar un programa de mejoramiento de la construcción con adobe. El objetivo específico de este Programa en la producción de adobe estabilizado a bajo costo, alta calidad, y resistencia al agua, y el desarrollo de adecuados diseños estructurales y técnicas de construcción, para construcciones sísmicas.
C. The Adobe Improvement Program comprises three stages: a first stage of practical training, a second stage of testing and research, and a third stage consisting of the construction of pilot prototype houses in the Coast and in the Sierra.

D. As of the present date, the progress and results of the Adobe Improvement Program have been consistently satisfactory and in certain aspects have even exceeded the original goals. The program has now reached the stage where a first model house built at the Engineering University campus has been completed, and the two prototype units in the coastal town of Nepeña are well under construction. An intensive program of testing and research has resulted in many conclusions with regard to materials and construction techniques, and has demonstrated the technical advantages of the improved adobe construction.

E. In order to maximize the experience gained in the research stages, it is now important to apply the new materials and techniques to large scale housing projects. The AID housing credits which are presently available, afford the opportunity to implement specific sub-programs involving self-help for which the stabilized adobe solution is eminently adaptable.

C. El Programa de Mejoramiento de la Construcción con Adobe consta de tres etapas: una primera etapa de entrenamiento práctico, una segunda etapa de ensayos e investigación y una tercera etapa consistente en la construcción de viviendas piloto prototipo en la Costa y en la Sierra.

D. Hasta la fecha, los resultados y progresos del Programa de Mejoramiento de la Construcción con Adobe han sido ampliamente satisfactorios y en ciertos aspectos casi ha superado las metas originales. El programa ha llegado ya a una etapa en la que la primera casa modelo construida en terrenos de la Universidad de Ingeniería ha sido terminada, y la construcción de las dos unidades prototipo del primer proyecto piloto en el pueblo costeño de Nepeña se encuentra bastante avanzada. Un programa intenso de ensayos e investigación, ha obtenido importantes conclusiones con respecto a materiales y métodos de construcción, y ha demostrado las ventajas técnicas de la construcción con adobe mejorado.

E. Con el objeto de complementar la experiencia adquirida en la fase de investigación, es importante ahora aplicar los nuevos materiales y técnicas a proyectos masivos de vivienda. Los créditos actualmente disponibles del AID para vivienda, brindan la oportunidad de implementar sub-programas específicos de auto-construcción, lo cual hace factible el empleo del adobe estabilizado.
II. GENERAL DESCRIPTION

A. The purpose of the project is to provide to the Government of Peru needed technical and financial assistance for the continuation of the program for the improvement of adobe construction. This assistance will be specifically directed to the execution of the initial large scale housing projects which will use the improved adobe construction materials and techniques.

B. The specific objectives of the project are: a) to transfer the new technology from the research stage to the practical stage involving the execution of large scale housing projects; b) to adjust and complement the findings and conclusions obtained from the Adobe Improvement Program using the experience gained from its application to large scale projects; and c) to promote and encourage the widespread use of the new construction materials and techniques in housing development programs, particularly in connection with the AID credits available for housing construction.

C. AID funds committed by this Project Agreement will be used to finance the purchase of two mixing machines having characteristics similar to the one used in the previous Adobe Improvement Program; and to provide, through the Adobe Program Technical Commission and specialized consultants, technical assistance and guidance to the

II. DESCRIPCION GENERAL

El propósito del proyecto es el de proporcionar al Gobierno Peruano la asistencia técnica y financiera requerida para la continuación del programa de mejoramiento de la construcción con adobe. Esta asistencia está dirigida especificamente a la ejecución inicial de varios proyectos de construcción de vivienda en los que se utilizarán los materiales y técnicas de construcción del adobe mejorado.

B. Los objetivos específicos del proyecto son: a) transferir la nueva tecnología de la etapa de investigación a la etapa práctica que conlleva su adopción en proyectos masivos de vivienda; b) perfeccionar y complementar los resultados y conclusiones alcanzados a través del Programa de Mejoramiento de la Construcción con Adobe empleando la experiencia obtenida mediante su aplicación a proyectos de mayor escala; y c) promover e incentivar el uso generalizado de los nuevos materiales y técnicas de construcción en programas de vivienda particularmente en conexión con los créditos disponibles de la AID para vivienda.

C. Los fondos AID comprometidos bajo este Convenio de Proyecto serán utilizados para financiar la compra de dos máquinas mezcladoras que tengan características similares a la que se utilizó en el Programa de Mejoramiento de la Construcción con Adobe; y para proporcionar a través de la Comisión Técnica del Programa del Adobe y de consultores especializados,
Government of Peru agencies responsible for the implementation of the housing projects.

III. WORK PLAN

A. The Project will be implemented under the general direction, administration and supervision of the Ministry of Housing. The other Peruvian entities which signed the Implementation Agreement in March, 1972, to initiate the Program for the Improvement of Adobe Construction, and which participated in the Program will also take part in this project. In general, the project will be considered as a continuation, or second phase of the Adobe Improvement Program and all its activities will be coordinated through the Technical Commission formed by representatives of the Ministry of Housing, the Housing Bank, the National Engineering University and AID.

B. The Ministry of Housing and the Technical Commission will coordinate with the GOP agencies responsible for the implementation of the first "stabilized adobe" housing projects, in the provision of technical assistance and the use of the equipment to be financed under this Project Agreement.

C. The technical assistance provided under this agreement will be used exclusively in connection with the manufacture of stabilized adobe blocks, and the design and construction of stabilized adobe

asistencia técnica a las agencias del Gobierno Peruano responsables de la ejecución de proyectos de vivienda.

III. PLAN DE TRABAJO

A. El Proyecto será ejecutado bajo la dirección general, administración y supervisión del Ministerio de Vivienda. Otras entidades Peruanas que suscribieron el Convenio de Ejecución en Marzo de 1972 para iniciar el Programa de Mejoramiento de la Construcción con Adobe, y que participaron en el Programa también tomarán parte en este proyecto. En general, el proyecto será considerado como una continuación o segunda fase del Programa de Mejoramiento de la Construcción con Adobe, y todas sus actividades serán coordinadas a través de la Comisión Técnica constituida por representantes del Ministerio de Vivienda, el Banco de la Vivienda, la Universidad Nacional de Ingeniería y la AID.

B. El Ministerio de Vivienda y la Comisión Técnica coordinarán con las agencias del Gobierno Peruano responsables de la ejecución de los primeros proyectos de vivienda con "adobe estabilizado" en la provisión de asistencia técnica y el uso del equipo que se financiará bajo este Convenio de Proyecto.

C. La asistencia técnica proporcionada bajo este convenio se utilizará exclusivamente con la producción de bloques de adobe estabilizado y el diseño y construcción de estructuras de adobe estabilizado durante
structures during both the phases of preparation and execution of the housing projects.

**IV. CONTRIBUTION OF THE UNITED STATES GOVERNMENT**

The Government of the United States through AID, will provide up to $25,000 in soles equivalent, under this Project Agreement to assist in the financing of:

A. Two pug mill mixers for the production of stabilized adobe blocks.

B. Technical services by one specialist of the California State University at Fresno during a two month extended visit to Peru. These services will be in connection with the production of stabilized adobe blocks for the first large scale projects.

C. Technical services by one specialist of the National Bureau of Standards during a three weeks visit to Peru. These services will be in connection with the structural design and testing activities for the first large scale housing projects.

D. Short term architectural and engineering services in connection with the design and construction of the first large scale housing projects.

las fases tanto de preparación como de ejecución de los proyectos de vivienda.

**IV. APORE DEL GOBIERNO DE LOS ESTADOS UNIDOS**

El Gobierno de los Estados Unidos a través de AID proporcionará bajo este Convenio de Proyecto hasta la cantidad equivalente en soles de $25,000 para la financiación de:

A. Dos mezcladoras para la producción de adobe estabilizado.

B. Los servicios técnicos de un especialista de la Universidad Estatal de California en Fresno durante un período de dos meses en el Perú. Estos servicios están relacionados con la producción de adobe estabilizado para los primeros proyectos a gran escala.

C. Los servicios técnicos de un especialista de la Oficina Nacional de Normas de los Estados Unidos durante una visita de tres semanas en el Perú. Estos servicios están relacionados con el diseño estructural y con las actividades de experimentación de los primeros proyectos de vivienda a gran escala.

D. Servicios de arquitectura e ingeniería a corto plazo relacionados con el diseño y construcción de los primeros proyectos de vivienda a gran escala.
V. CONTRIBUTION OF THE MINISTRY OF HOUSING

The contribution of the Ministry of Housing will be as follows:

A. Personnel and services required for the supervision, administration and general conduct of the project activities.

B. Operation and maintenance of the equipment provided under this Agreement. Upon completion of the project period, the disposition of the equipment shall be determined by Agreement between the Ministry of Housing and AID.

C. Coordination with all the agencies responsible for the preparation and execution of the first "stabilized adobe" projects to assure the best utilization of the equipment and technical assistance provided under the agreement.

VI. ESTIMATED BUDGET

The AID and Ministry of Housing contributions to the project will be as follows:

A. AID Contribution

1) Procurement of two pug mill mixers
   Compra de dos mezcladoras

2) Technical Services by the California State University at Fresno
   Servicios Técnicos de Especialista de la Universidad Estatal de California

   \$14,000

   \$5,000

For the Cooperating Government or Agency

[Signature]

For the Agency for International Development

[Signature]
## Project Agreement between AID and Ministerio de Vivienda

### AN AGENCY OF THE GOVERNMENT OF PERU

**Project/Activity Title**

**Housing and Urban Development**

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**Total**

$25,000

### Ministry of Housing's Contribution

1) Personnel assigned for carrying out project activities ($/300,000)

$6,920

Sueldos de personal asignado para la ejecución del Proyecto ($/300,000)

### Methods of Disbursement

The disbursement of funds obligated under this agreement will be in accordance with the AID established procedures for (a) the contracting of services from participating agencies; and (b) the requisitioning and procurement of commodities and services.

### Reports

Quarterly reports describing the progress of the Project will be prepared by the Ministry of Housing and submitted to AID and other participating agencies. After completion of the Project, the Ministry will prepare a Final Report describing the overall development of the Project (including documentation as required).

### Aporte del Ministerio de Vivienda

El desembolso de los fondos comprometidos bajo este convenio se efectuará de acuerdo a los procedimientos establecidos por AID para (a) la contratación de servicios de agencias participantes; y (b) la requisición y obtención de bienes y servicios.

### Informed

El Ministerio de Vivienda preparará informes trimestrales que describan el progreso del Proyecto y los enviará a AID y a las otras agencias participantes. Al concluirse el Proyecto, el Ministerio preparará un Informe Final que describa el desarrollo total del Proyecto (incluyendo la documentación que fuera necesaria).
IX. DURATION OF THE PROJECT

This Project will be in effect from the date of signature through June 30, 1974.

IX. DURACIÓN DEL PROYECTO

Este Proyecto estará en vigencia desde la fecha de su firma hasta el 30 de Junio de 1974.