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AID-11-6 (7-63)

Department of State
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

Section 202

AID No. 527-0102-000-4629

Program Approval Dated:
September 6, 1963

Executive Vice President
Commodity Credit Corporation
U. S. Department of Agriculture

In accordance with the provisions of Title II, PL 480 (as amended), Section 2 of Executive Order 10900 and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Wheat Flour to Catholic Relief Services for use in Peru in an amount not to exceed \$ 35,000 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed:

Previous Total	Increase	Decrease	Total to Date
	240		240

2. Delivery Period: First Shipment to: Matarani 60 metric tons
As soon as possible:/ Callao 60 metric tons
Balance as advised.

3. Specifications:

- A. Wheat flour to be 72% extraction, enriched, bleached, minimum protein 11%; maximum ash .48%; maximum moisture 13.5% packed 100 lbs. net in new export cotton bags.
- B. Flour authorized hereunder must have been milled in the United States from wheat grown in the United States.

The commercial F.O.B./F.A.S. export value is estimated at \$ 20,000

3/13/64

Date

Herbert J. Waters
Signature for the Administrator

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions set forth herein, including those set forth on the reverse side hereof, are hereby accepted.

Date

Signed December 2, 1963

For the Government of Peru
Edward W. Kinney
For Catholic Relief Services

4. Program Objectives and Use of Commodity:

- A. The commodity authorized herein is contributed by the United States to be utilized in a one-year pilot reforestation program to be administered by the Ministry of Agriculture of the Government of Peru in cooperation with Catholic Relief Services. The immediate and long-term objectives of the program are, respectively: (a) to provide gainful employment and increased food consumption to families whose living conditions are sub-standard; and (b) to promote economic development by putting into production non-productive areas owned by indigenous communities through a tree planting program.
- B. Approximately 6250 acres of forest plantations will be established in each of the Departments of Cuzco and Junin by planting an estimated 12.5 million eucalyptus trees on non-agricultural land owned by indigenous communities. During the first phase of this experimental program, about 200 of an estimated 1200 workers drawn from the various communities involved will be engaged in establishing nurseries and collecting seed from presently available eucalyptus trees. The remaining 1000 will be employed in preparing planting sites and digging planting holes for the planting period to follow.
- C. The commodity authorized herein shall be used as partial payment-in-kind of wages to workers employed in the program on the basis of days of work performed, estimated at 200 work days annually per worker for the program approved herein. Each worker shall receive a daily ration for himself and dependents for each day of work performed. Based on an average of five members per family, distribution of the commodity supplied hereunder and for the other commodities on this program shall average approximately as follows:

<u>Commodities</u>	<u>Number of Workers</u>	<u>Grams per Cap/Day</u>	<u>Number of Work Days</u>	<u>Total Requirements* M/T</u>
Bulgur	1,200	100	200	120
Flour	1,200	200	200	240
Cornmeal	1,200	100	200	120
Milk, NFD	1,200	48	200	58
Butteroil	1,200	30	200	36

*Based on average 5 members per family

- D. With respect to the joint implementation of the program authorized herein, CRS and the Government of Peru have the following specific responsibilities in addition to those cited elsewhere in this authorization.
- 1) CRS shall be responsible for
 - a) proper receipt and distribution of the commodity supplied hereunder;
 - b) issuance of rations in accordance with paragraph 4 C above and for final end-use of the commodity authorized herein and accountability therefor;

- c) providing one qualified local salaried supervisor in each Department to be in charge of receipt and distribution of the commodity supplied hereunder, with such salary to be paid by the GOP as per paragraph 2(d) below;
 - d) providing volunteer workers in each of the communities where work is to be carried out to assist in the distribution of the commodity supplied hereunder;
- 2) GOP shall be responsible for
- a) providing technical personnel for supervision of the plantation work and establishment of the nurseries;
 - b) providing a suitable central warehouse in each Department and, through the indigenous communities, temporary warehouses in the respective communities from which the commodity authorized herein shall be distributed;
 - c) equipment, tools, materials and supplies essential to the program;
 - d) paying the salaries of two supervisors to handle the receipt and distribution of the commodity supplied hereunder as per paragraph (1) (c) above;
 - e) paying each worker a daily cash wage in local currency equivalent of approximately U.S. \$0.26;
 - f) providing budgetary support for items a) through e) above and/or such other program costs as required, of approximately the local currency equivalent of \$95,000 from PL 480 Title IV assignments and of \$20,900 from the Peruvian Forest Service;
- E. Quantities issued to the authorized end-users at time of each distribution shall not exceed the amount the recipient and his dependents will consume during the period for which the donation is made.
- F. The commodity authorized herein shall not replace aid which would have been otherwise provided for such purpose and shall not be sold or bartered except as authorized below.
- G. The commodity authorized hereunder may be used to replace same or similar commodities which are locally available. Such replacements are authorized provided the borrowed commodities were distributed in accordance with the provisions of this authorization after September 6, 1963, date of the program approval, but before arrival of the first shipment hereunder. Replacement shall be based on equivalent value of commodity as established by independent appraisers and agreed between representatives of the Government of Peru, CRS, and the USAID/Peru.

5. Shipping Instructions:

A. Consignee: **Catholic Relief Services Peru
For Forestry Project**

Port of Discharge **See Provision 2 (Delivery Period)**

B. Ocean transportation to be arranged by USDA the cost of which will be paid by the United States and will be covered by a separate authorization.

C. In conformity with Section 103, PL 480, all of the costs incurred in making these commodities available for export, FOB or FAS vessel including processing, packaging, transportation and handling costs shall be borne by the Commodity Credit Corporation. Title to the commodities shall pass to the consignee at time of delivery FOB or FAS vessel at U.S. port. However, the United States shall be responsible for general average contributions and shall be entitled to prosecute and retain the proceeds of all loss and damage claims against carriers. In order that claims against carriers may be filed promptly the consignee shall be responsible for providing US AID an outturn report immediately after each vessel is discharged. Such report shall show (1) satisfactory delivery as to quantity and condition or (2) the amount of shortage or damage. Reports showing either short outturn or damage must be certified by an independent surveyor, must be fully documented, and shall be forwarded promptly to MR/RTD, AID/W.

D. Ocean shipment of the commodity authorized herein is subject to Public Law 664, 83rd Congress.

6. Standard Provisions:

A. Marking Instructions: All containers shall be marked with the TA number, contract numbers or other identification, the A.I.D. emblem, and the following statement(s) in English and Spanish
(1) Name of commodity, Wheat Flour
(2) "Donated by the People of the United States of America".

B. Publicity: Suitable publicity shall be given at time of ship's arrival and time of distribution that the commodity provided herein has been donated by the people of the United States. In addition, adequate coverage by press, radio or other appropriate means of mass communication shall be utilized.
under the Alliance for Progress Program

- C. No Displacement of Sales: The commodity furnished hereunder shall not result in increased availability for export of this or like commodities and shall not interfere with or displace sales which might otherwise have taken place.
- D. No Discrimination: The commodity furnished hereunder shall not be utilized for the advancement or support of any religious faith or teaching, nor shall such commodities be used in any manner which is discriminatory as to race, creed, color or national origin.
- E. Port Charges and Inland Transportation: The ^{GOV}~~consignee~~ shall be responsible for all costs after arrival of ship at port of discharge incident to discharging and distributing the commodity authorized herein to end-users including but not limited to, demurrage, detention, lighterage, lightening, port charges, warehousing and inland transportation. Cargo shall be admitted duty free. Consular invoices, if required, shall be issued without cost to the Government of the United States.
- F. Information and Observation: The Government of the United States shall be provided with complete information on the progress of this program. Adequate facilities shall be made available to United States personnel in the recipient country for conducting end-use checks and audits and for observing and reviewing the disposition of all commodities authorized herein.
7. Termination of Program:
- A. All or any part of the assistance provided herein, including the delivery of commodities not yet delivered, may be terminated by the U.S. Government if it is determined that because of changed conditions the continuation of such assistance is unnecessary or undesirable.
- B. If the Secretary of Agriculture shall determine that any commodity to be supplied under this authorization ceases to be in excess of domestic requirements in the United States, this authorization shall terminate with respect to any commodities which, as of the date of the Secretary's determination, have not been delivered FOB or FAS vessel.
8. Documentation and Reports: (For USDA)

Documentation and reports will be furnished pursuant to existing AID-USDA procedures.

MR/ARD:ns