

AGREEMENT

BETWEEN

REPUBLIC OF PERU

AND

NORDIC INVESTMENT BANK

Dated

December 3, 2001



Whereas

- The Nordic Investment Bank (hereinafter referred to as "NIB") was established pursuant to a treaty dated December 4, 1975 between Denmark, Finland, Iceland, Norway and Sweden;
- The Republic of Peru and NIB desire to establish the basis for long-term cooperation in utilizing financing provided by NIB for projects of interest to Peru and the Nordic countries;
- In pursuance thereof the framework of operations and the legal status of NIB in Peru shall be determined;

NOW THEREFORE it is hereby agreed as follows:

1

The Republic of Peru, and any public-, semi-public-, or private legal person in Peru is eligible for loans or guarantees made available by NIB pursuant to this Agreement. The proceeds of the financing may be used for any cost item of the selected projects.

2

Financing from NIB is complementary to other available financial sources. NIB will assist in the arrangement of advantageous financing of suitable projects through co-financing with other multilateral institutions, official and private financial institutions of its member countries, and other selected institutions.



3

The parties hereto shall on a regular basis discuss and exchange views on the objectives, lending criteria, and activities of NIB in Peru.

In order to benefit from provisions of this Agreement, NIB shall, in respect of loans not extended to or guaranteed by the Republic of Peru, obtain from the Peruvian Government, represented by its Ministry of Economy and Finance, a written statement that the Government has no objection to the financing by NIB of the project in question.

4

NIB shall enjoy in Peru the most extensive legal capacity accorded to legal persons under the laws of Peru. NIB may in particular hold, own and dispose of fixed property and be a party to legal proceedings.



5

The Republic of Peru recognizes that NIB is a multilateral financial institution which follows policies similar to other multilateral financial institutions as regards project execution and debt service obligations of its borrowers, including the policy of non-participation in any rescheduling of national debt.

6

All payments to NIB in respect of its financing or guarantees, and all transactions related to realization of any security given for such financing or guarantees, shall be exempt from any tax imposed by Peruvian public authority.

7

Entities in Peru, which enjoy financing or guarantees from NIB, or in which NIB has a security interest, shall be assured free access to purchase and transfer foreign currency for the payment of interest, principal and other financial obligations towards NIB.

8

NIB itself, and entities in Peru, which enjoy financing or guarantees from NIB, or in which NIB has a security interest, shall benefit from treatment not less favorable than that available under current Peruvian legislation or under any bilateral agreement on the reciprocal promotion and protection of investments to which the Republic of Peru is a party.

9



Any dispute, controversy or claim arising out of or relating to the interpretation, application or performance of this Agreement, including its existence, validity or termination, which is not settled by negotiation or other agreed mode of settlement within 60 days, shall be settled by final and binding arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration involving International Organizations and States, as in effect on the date of this Agreement.

The number of arbitrators shall be three.

The language to be used in the arbitral proceedings shall be English.

10

This Agreement shall enter into force upon the completion of its constitutional requirements for entry into force of international agreements and shall remain in force until either party notifies the other party of termination thereof. Notwithstanding such termination the provisions hereof shall remain in force for all



contracts within the scope of this Agreement signed before the notification until all sums due under such contracts have been fully paid.

Signed in Lima on December 3, 2001



Republic of Peru



Nordic Investment Bank

