

No. 50523

**United States of America
and
Peru**

Agreement between the Government of the United States of America and the Government of the Republic of Peru concerning the establishment of an Americas Fund and Administering Board. Lima, 24 December 1997

Entry into force: *24 December 1997 by signature, in accordance with article X*

Authentic text: *English*

Registration with the Secretariat of the United Nations: *United States of America,
26 February 2013*

**États-Unis d'Amérique
et
Pérou**

Accord entre le Gouvernement des États-Unis d'Amérique et le Gouvernement de la République du Pérou relatif à l'établissement d'un fonds des Amériques et d'un conseil d'administration. Lima, 24 décembre 1997

Entrée en vigueur : *24 décembre 1997 par signature, conformément à l'article X*

Texte authentique : *anglais*

Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies : *États-Unis
d'Amérique, 26 février 2013*

[ENGLISH TEXT – TEXTE ANGLAIS]

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE REPUBLIC OF PERU
CONCERNING THE ESTABLISHMENT OF AN AMERICAS FUND
AND ADMINISTERING BOARD

The Government of the United States of America and the Government of the Republic of Peru ("the Parties"),

Seeking to implement the Enterprise for the Americas Initiative,

Desiring to enhance the friendship and spirit of cooperation between the Parties,

Desiring to promote environmentally sound and sustainable economic development, including the encouragement of child survival and child development,

Recognizing that environmental protection, conservation, and sustainable natural resource management are key elements in building an ecologically and economically sound future for all countries in the Western Hemisphere,

Recognizing that a country's children are its greatest resource, represent its future, deserve a sound natural resource base for a quality life, and deserve protection from the health hazards of preventable environmental pollution and degradation,

Recognizing that environmentally sound and sustainable economic development, and child survival and child development, may help alleviate extreme poverty and promote alternative development,

Recognizing that child survival and child development are frequently linked to environmental conservation and can often be addressed effectively in tandem,

Wishing to follow upon the Program Agreement dated June 26, 1997 by and between the Government of the United States of America and the Government of the Republic of Peru concerning the Sale, Reduction and Cancellation of Certain Loans ("Program Agreement")

Have agreed as follows:

I
PURPOSE

The purpose of this Agreement is to provide for the establishment of an Americas Fund and Administering Board in order to promote activities designed to preserve, protect, or manage the natural and biological resources of Peru in an environmentally sound and sustainable manner, while encouraging the improvement of child survival and development in Peru.

II
AMERICAS FUND

1. Pursuant to Articles IV, VII.1 and IX of the Program Agreement, the Government of the Republic of Peru shall ensure that the entire amount owed as the result of discharge through buybacks under Article IV of the Program Agreement is deposited into an escrow account.
2. The Government of the Republic of Peru shall establish an Americas Fund ("the "Fund") in accordance with the laws of Peru. The Fund shall be administered by the Board established pursuant to Article III. Any monies deposited in the Fund, or grants made from the Fund, will be free from any taxation, levies, fees or other charges imposed by the Parties, to the extent permissible by law.
3. All amounts in the escrow account referred to in paragraph 1 shall be transferred to the Fund upon its establishment.
4. Monies from other sources, including public and private creditors of the Government of the Republic of Peru, in the form of local currency or other currencies, may also be deposited into the Fund. Once deposited, these monies shall be subject to the requirements and conditions agreed to between the donor(s) of such monies and the Parties, so long as these terms are consistent with this Agreement.
5. Deposits in the Fund shall be the property of the Government of the Republic of Peru until they are disbursed. The Government of the Republic of Peru shall not grant or permit to be granted a lien, mortgage, charge, privilege or priority with respect to such deposits except in conjunction with disbursements at the direction of the Board pursuant to Article VI.
6. The Government of the Republic of Peru, in consultation with the Government of the United States of America, shall appoint a fiscal agent for the Fund, who shall be charged with the investment and disbursement of the monies in the Fund. The fiscal agent shall ensure that the Board is promptly notified

in writing when the Government of the Republic of Peru makes a deposit in the Fund pursuant to paragraph 2 above.

7. Deposits in the Fund shall be prudently invested by the fiscal agent until disbursed. Returns on investment of funds shall remain in the Fund until disbursed.

8. The fiscal agent shall make every effort to ensure that investments made pursuant to paragraph 7 are of high quality and yield a positive real interest rate.

III

ESTABLISHMENT AND COMPOSITION OF THE BOARD

1. The Government of the Republic of Peru, in consultation with local nongovernmental organizations, shall ensure that an Americas Board (the "Board") is established by law.

2. The Board shall consist of eight members. It shall be composed of:

A. one representative appointed by the Government of the United States of America;

B. two representatives appointed by the Government of the Republic of Peru; and,

C. five representatives from a broad range of Peruvian environmental and local community development, including child survival and child development, nongovernmental organizations, and scientific and academic bodies, selected by the Government of the Republic of Peru in consultation with these groups. These representatives shall be approved jointly by the Parties, and shall constitute a majority of the members of the Board.

3. Board members appointed in accordance with Article III.2.(A) and (B) shall serve ad honorem at the discretion of the appointing Party. Board members described in Article III.2.(C) shall be appointed by the Government of the Republic of Peru, shall serve ad honorem for a period of three years, and may be removed only to the extent provided by law. Consecutive terms shall be permitted.

4. A Board member may not participate in the approval of any proposed grant which, if approved, would result in a financial benefit for the member, any member of his family or an organization in which the member or any member of his family has a direct financial interest. Further, a Board member may not participate in the approval of any proposed grant to an organization which the member represents.

IV
FUNCTIONS OF THE BOARD

1. The Board shall be responsible for the management and administration of the program undertaken, and oversight of grant activities funded, pursuant to this Agreement. The Government of the Republic of Peru shall ensure that the Board has the necessary authority to carry out the functions assigned to it in this Agreement.

2. The Board shall:

A. Issue and widely disseminate a public announcement of the call for grant proposals which states the criteria for the selection of projects eligible for grant assistance, and the qualifications of organizations eligible to submit proposals for grant awards.

B. Receive proposals for grant assistance from entities described in Article V.2 of this Agreement, and make grants to such entities for the activities enumerated in Article V.1 of this Agreement.

C. Publicly announce grants awarded by the Board.

D. Present to the Parties:

i. an annual program of prospective activities, by October 31;

ii. an annual report on the activities funded by the Board during the previous year, which shall include on-going, multi-year projects, by October 31;

iii. an annual audit by an independent auditor covering the previous program year, by October 31;

E. Appoint an executive secretariat to perform all necessary actions required by the Board for its adequate functioning.

3. Proposed grants with life-of-project total in excess of \$100,000 shall be presented by the Board to both Parties. If either Party disapproves of such a grant, that Party must notify the Board of its disapproval, in which case the Board may not award the proposed grant. Proposed grants not disapproved by either Party within 45 days of presentation to the Parties' members on the Board shall no longer be subject to either Party's disapproval.