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PROJECT AGREEMENT

BETWEEN THE EMBASSY OF THE UNITED STATES OF AMERICA

AND

AN AGENCY OF THE GOVERNMENT OF PERU

RELEASED

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 or checked below:		1. Project No. 313601-0102	Page 1 of 12 Pages	
() PROJECT DESCRIPTION (X) STANDARD PROVISIONS		2. Agreement No. 9	3. Original (X) or Revision No.	
Annexes () A () B (X) C (X) D (X) E				
This project agreement is further subject to the terms of the following agreement(s) between the two governments as modified and supplemented:				
() GENERAL AGREEMENT FOR TECHNICAL COOPERATION				
() OTHER AGREEMENT				
7. FINANCING (In Thousands of U S \$)				
Fiscal Year	Previous Total	Increase	Decrease	Total
1987	this FY \$1,975	100	0	2,075
a. Total Costs				2075
b. Personnel Services (other than direct hire)				4
c. Commodity Costs				1171
d. Participant Costs				5
e. Other Costs				893
8. Date of Original Agreement August 31, 1987		9. Date of Revision		
		10. Sub-Obligation Termination Date March 31, 1988		
11. For the Cooperating Government or Agency				
SIGNATURE: <i>[Signature]</i>		DATE: 31-8-87		
TITLE: MINISTER OF INTERIOR				
12. For the Embassy of the United States of America				
SIGNATURE: <i>[Signature]</i>		DATE: 8-31-87		
TITLE: AMBASSADOR OF THE U.S.A.				

DEPARTMENT OF STATE IS/FPC/CDR FP Date. APR 7 1993

MR Cases Only:

() RELEASE () DECLASSIFY
 () EXCISE () DECLASSIFY
 () DENY IN PART
 () DELETE Non-Responsive Info

FOIA Exemptions _____
 PA Exemptions _____

() CLASSIFY as () S or () C OADR
 () DOWNGRADE TS to () S or () C OADR

TS authority to _____

PROJECT AGREEMENT

Between the Government of the United States of America and
the Government of Peru

Execution of Project delegated to the Cooperating Agency: Ministry of Interior

Agreement No.: Nine (09)

Project No.: 313601-0102

Project Title: NARCOTICS INTERDICTION - MINISTRY OF INTERIOR (PIP)

() Original or

() Revision number

A. GENERAL

1. The Government of the United States of America (USG), represented by the US Ambassador, Mr. Alexander F. Watson, and the Government of Peru (GOP), represented by Interior Minister Dr. Jose Barsallo Burga, jointly agree to establish and to support a project designed to limit the flow of illicit narcotics from Peru to international markets. Toward accomplishment of this goal, the two governments will provide such resources and take such actions as are specified hereinafter to the extent authorized by the respective legislative processes of both countries.

2. The actions to be taken and the resources to be provided by the GOP and the USG in support of this project as set forth below are accepted by the signatories as firm commitments unless otherwise amended by joint agreement. Funds granted by the USG by the terms of this agreement are specified on the cover sheet hereto. USG future year funding for this project is contingent upon USG Congressional legislation and thereafter by approval of the US Assistant Secretary of State for Narcotics Matters.

- 3. Modifications to this agreement may be made as jointly agreed by the signatories and issued as amendments to the agreement.
- 4. The GOP agrees to assign a counterpart officer to serve as Project Coordinator for the purpose of performing those functions mutually identified as necessary to ensure the successful implementation of the project.
- 5. The Ministry of the Interior (MOI), representing the GOP, and the American Embassy, representing the USG, agree to support all provisions of this agreement from the date of signing through the final contribution date, except as this agreement may be jointly amended or terminated.

B. PROJECT DESCRIPTION

This project is designed to establish a GOP capability to suppress the processing, trafficking and export of illicit narcotics. Toward that goal, the USG and the GOP will take actions and commit resources on an annual basis as authorized by their respective legislative processes to establish and or improve capabilities of existing GOP narcotics law enforcement agencies and the authorities under which they function. Actions to be taken include assignment, training, equipping, deployment and operational support of an adequate number and skill-level of personnel for narcotics law enforcement duties. Emphasis will be placed on developing and exploiting all intelligence applicable to every phase of the illicit narcotics situation within and/or affecting Peru.

As part of this effort, the GOP agrees that its police forces will carry out narcotics investigations, destroy illicit drug-processing centers, and break up drug-trafficking organizations.

It is further agreed that the MOI, through its police forces, will provide sufficient personnel to gather intelligence, investigate illicit drug trafficking, and carry out interdiction operations.

Under this agreement, the USG agrees to do the following.

- Provide communication equipment, repair parts and audio visual equipment.
- Provide administrative and operational support to the Sub-Directorate for Investigation of Traffic in Illicit Drugs (SDINTID).
- Provide funding for narcotics training in the US and Peru for selected officers and enlisted men.
- Provide financing totaling USD 100,000 to support the project. The USG contribution is detailed in Annex C.

Under this agreement, the GOP agrees to do the following.

- Provide salaries of investigative technical and administrative staff of SDINTID.
- Provide funding for rent and utilities.
- Provide funding for POL and maintenance.
- Provide office equipment and supplies.
- Provide laboratory expenses.
- Take necessary action to carry out uninterrupted narcotics investigations and interdiction activities throughout Peru.

The life of this project is planned for three years, following which a comprehensive narcotics law enforcement capability will be in place and functioning effectively. USG grant funding support for other than the current fiscal year is conditioned upon satisfactory progress in current year activities, and the availability of funds authorized on a year to year basis by the U.S. Congress and approved by the US Department of State, Bureau for International Narcotic Matters (INM).

C. PROJECT GOAL AND ACHIEVEMENT VERIFICATION

The specific goal of this project is to reduce to a minimum feasible level the production, processing and trafficking of narcotics within Peru, and the export of illicit drugs to foreign

markets. Progress toward achievement of this goal will be measured in terms of reduced availability of illicit narcotics to traffickers and users, arrests and convictions of narcotics law violators, and the quantity of narcotics seized and destroyed. Methods of verifying project achievement include operational liaison and observation by cooperating personnel of the two governments, official GOP records of arrests and convictions of narcotics law violators, and seizures and destruction of narcotics .

STANDARD PROVISIONS

1. The USG shall not be required to make any of the contributions shown in Block 7 of the facesheet for which funding has not been sub-obligated within six (6) months after the end of the fiscal year in which the Project Agreement is signed. The sub-obligation terminal date will be entered in block 10 as March 31 of the year following that in which the agreement was signed. No U.S. grant-funded goods and services will be provided after the Final Contribution Date (FCD), which is 12 months after the Sub-obligation Terminal Date (STD), without an exception granted by the JS Assistant Secretary of State for Narcotics Matters and the issuance of a jointly signed confirming amendment to this agreement.
2. Title of all property procured through financing by the USG under this agreement shall be in the Cooperating Agency, the MOI, unless otherwise specified in the applicable procurement document.
3. Any property furnished to either party through financing by the other party pursuant to this agreement shall be devoted to the project until completion of the project, and thereafter shall be used to further the objectives sought in the project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through financing by the other party pursuant to this agreement which is not used in accordance with the preceding sentence. Funds derived from the sale of any property furnished by the USG to the project shall be used in the furtherance of narcotics control activities.

4. If the USG or any public or private organization furnishing commodities through USG financing for operations under this agreement is, under the laws, regulations, or administrative procedures of the cooperating country, liable for customs duties and import taxes of commodities imported into the cooperating country for purposes of carrying out this agreement, the cooperating agency will pay such duties and taxes unless exemption is otherwise provided by applicable international agreement.
5. The cooperating agency shall make such arrangements as may be necessary so that funds introduced into the cooperating country by the USG for purposes of carrying out obligations of the USG under this agreement 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.
6. The USG shall expend funds and support operations pursuant to this agreement only in accordance with the applicable laws and regulations of the USG.
7. The two parties shall for a period of three years after completion of the project have the right (1) to examine any property procured through or financed by that party under this agreement to determine that such property is being used in accordance with the terms of the project, and (2) to inspect and audit any records and accounts with respect to funds, properties, and contract services furnished by that party under this agreement to determine that such funds, services, or properties are being utilized properly in accordance with the terms of the project.
8. The two parties agree to jointly evaluate the project goals, design and progress at least once each year during the life of the project. For this purpose, the two parties will assign fully qualified personnel to participate in the evaluation process. Each party will furnish the other with available, pertinent information as necessary to evaluate the effectiveness of project operations under the terms of the agreement. The issuance of the project completion report after

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termination of the project is an integral part of this process. The completion report will include a summary of INM and host-country project contributions, provide a record of activities performed, objectives achieved, and related basic data.

9. The cooperating country agrees to retain personnel who have received narcotics training in the United States in a narcotics control assignment for a minimum of two years after completing such training, except as may be mutually agreed upon by the USG and the cooperating country.

10. If any personnel (other than citizens and residents of the cooperating country), whether USG employees, or employees of public or private organizations under contract with, or individuals under contract with, the USG, the cooperating agency, or any agency authorized by the cooperating agency, who are present in the cooperating country, liable for income and social security taxes to the USG, for property taxes or personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods (including automobiles) brought into the cooperating country for the personal use of themselves and members of their immediate families (not including such personal or household goods as are 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.

11. The USG and the cooperating agency may obtain the assistance of other public and private agencies in carrying out their respective obligations under this agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this agreement.

12. The Embassy of the United States of America, in cooperation with the Assistant Secretary of the Department of State for International Narcotics Matters, will carry out the functions of the

USG under this agreement. The USG may assign these responsibilities to other agencies or officials without affecting the rights or obligations of any party to this agreement.

PROJECT SPECIFIC PROVISIONS

1. RECEIPT, DISTRIBUTION, ACCOUNTABILITY, ULTIMATE TITLE OF USG-PROVIDED EQUIPMENT

All equipment, supplies, and material provided to the GOP under this Agreement will be accounted for by the MOI and the end-user in the same manner as though the equipment, supplies, and material were acquired by the GOP with GOP funds except as such procedures, regulations, and laws differ from the Standard Provisions of this agreement and such amendments to the agreement as may be made.

2. UTILIZATION OF FUNDS OBLIGATED BY THE USG

Disbursements of USG grant funds under this agreement for procurement of goods and services will be made as charges against sub-obligating documents prepared and issued by the American Embassy Narcotics Assistance Unit (NAU) or by the US Department of State, Bureau for International Narcotics Matters, unless otherwise authorized in accordance with procurement regulations of the USG.

3. PROCUREMENT

The authorized geographic code for goods and services procured with USG grant funding under this agreement will be purchased from sources within the United States of America (Geographic Code 000) except as may be stated to the contrary in the body of the agreement.

4. PROVISION OF EQUIPMENT, SUPPLIES, AND SERVICES

All equipment, supplies and services procured with USG grant funding under this agreement will be provided to the MOI which will be responsible for transferring the equipment and supplies to the unit for which procured. The MOI will retain the ultimate title with the authority to withdraw such equipment and supplies not used as provided for in this agreement or subsequent agreement amendments.

5. TERMINATION OF AGREEMENT

The present agreement shall enter into force when signed by both parties. Either party may terminate this agreement by giving the other party 30 days written notice of intention to do so. Termination of this agreement shall also terminate any obligations of the two parties to make contributions pursuant to this 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 agreement. It is expressly understood that the obligations under Paragraph 4, relating to the use of property, shall remain in force after such termination.

(C) ANNEX

FY 1987 BUDGETCOUNTRY: PERUTITLE: NARCOTICS INTERDICTION - MINISTRY OF INTERIOR (PIP)PROJECT NUMBER: 313601-0102

\$ 20,000

A. COMMODITIES

12,000

1. Communication Equipment

- a. 1 portable radio HF-SSB 6,000
- b. Spare parts 6,000

8,000

2. Investigative and audio visual equipment

- a. 1 Movie projector 2,000
- b. 1 Slide projector 500
- c. 3 Binoculars 2,000
- d. 1 Copy Machine-DITFI 3,500

5,000

B. PARTICIPANTSU.S. Training and International
airfares for SDINTID Personnel

5,000

C. OTHER COSTS

75,000

- 1. Operation Support, Juanjui 20,000
- 2. Administrative Support, Juanjui 6,000
- 3. Mobile Training Units 12,000
- 4. Operational Support, SDINTID 15,000
- 5. Administrative Support, SDINTID 14,000
- 6. Rental of Telex Lines 3,000
- 7. Inspection Trips, SDINTID 2,500
- 8. Establish Office, DITFI 2,500

\$100,000

T O T A L

(D) IMPLEMENTATION SCHEDULES

PROJECT OUTLINE AND WORK SHEETS

TITLE: NARCOTICS INTERDICTION - MINISTRY OF INTERIOR (PIP)COUNTRY: PERUDate Prepared: June, 1987Project Number: 313601-0102

<u>ACTION TO BE TAKEN:</u>	<u>Initiator USG, GOP, or Other</u>	<u>Date Scheduled</u>	<u>Date Completed</u>	<u>Comments</u>
1. PRO/AG Presented to GOP	USG	7/87		Draft Completed 7/20/87
2. PRO/AG Signed by Minister of of Interior and U.S. Ambassador	USG/GOP	7/87		
3. PA/C's Prepared for Commodities	USG	8/87		
4. Commodities Arrive	USG	10/87		
5. Project Evaluation Procedure Established	USG/GOP	6/88		
6. Project Evaluation Begins	USC/GOP	6/88		
7. Project Evaluation Completed	USG/GOP	7/88		

USG: Government of the United States of America.
 GOP: Government of Peru

PROJECT OUTLINE AND WORK SHEETS

(E) FUNDING

Title NARCOTICS INTERDICTION - MINISTRY OF INTERIOR (PIP) Country Peru
 Project Number 313601 - 0102 Date Prepared July 20, 1987

L I F E O F P R O J E C T	
Initial Obligation	FY 1987
Estimated Final Obligation	FY 1989
Estimated Completion Date of Project	FY 1990

(IN THOUSANDS OF US DOLLARS)

	Fiscal Year 1987		Fiscal Year 1988		Other Years 1978-1984		All Years	
	Contract INC	Direct or Other Agency Total	Contract INC	Direct or Other Agency Total	Contract INC	Direct or Other Agency Total	Contract INC	Direct or Other Agency Total
U.S. Technicians								
Local Personnel					4	4	4	4
Participants	5	5					5	5
Commodities	20	20	50	50	1,101	1,101	1,171	1,171
Other Costs	75	75			820	820	895	895
Total Costs	100	100	50	50	1,925	1,925	2,075	2,075