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**AGREEMENT BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND  
THE GOVERNMENT OF THE REPUBLIC OF PERÚ  
REGARDING A DEBT-FOR-NATURE SWAP**

The Government of the United States of America and the Government of the Republic of Perú,

*Seeking to* facilitate the conservation, protection, restoration, and sustainable use and management of tropical forests in Perú, which provide a wide range of benefits to humankind,

*Noting* that rapid rates of tropical deforestation and forest degradation continue to be serious problems in many regions of the world,

*Recognizing* that the alleviation of external debt in the context of broader economic reforms can reduce economic pressures on countries and result in increased protection for tropical forests,

*Further recognizing* the Government of Perú's strong record in implementing market-based economic reforms including sustained efforts to liberalize its investment regime,

*Wishing to* ensure that resources freed from debt will be used for the conservation of tropical forests,

*Acknowledging* the importance of the principles of sustainable development and sound use of natural resources and the need to promote conservation, local development and the sustainability in the use of natural resources for the benefit of local communities,

*Further recognizing* the role played by The Nature Conservancy, the World Wildlife Fund, Inc. and Conservation International Foundation in tropical forest protection in Perú, and the success of non-governmental organizations in Perú in conserving and managing tropical forest land in Perú, and

*In furtherance of* the goals of the U.S. Tropical Forest Conservation Act of 1998, Public Law No. 105-214, as amended, and the U.S. Foreign Operations, Export Financing, and Related Programs Appropriations Act, FY 2002, Public Law No. 107-115,

Have agreed on this \_\_ day of \_\_\_\_\_, 2002, as follows:

## **ARTICLE I DEFINITIONS**

- 1.1. Defined Terms. The capitalized terms contained and used in this Agreement which are defined below shall have the respective meanings ascribed to them in this Section 1.1 and elsewhere in this Agreement.
- (a) “Agreement” means this Agreement between the Government of the United States of America and the Government of the Republic of Perú Regarding a Debt-For-Nature Swap, as it may be amended from time to time.
  - (b) “Business Day” means any day on which the Federal Reserve Bank of New York and GOP are both open for business.
  - (c) “CI” means Conservation International Foundation, a nonprofit public benefit corporation organized under the laws of the State of California in the United States of America, and any of its successors.
  - (d) “Closing” has the meaning set forth in Section 2.3.
  - (e) “Closing Date” has the meaning set forth in Section 2.3.
  - (f) “Debt Reduction Payment” means the transfer of five million five hundred thousand U.S. dollars (U.S.\$ 5,500,000) by USG from the Debt Restructuring Account to the USDA Account.
  - (g) “Debt Restructuring Account” means the “Debt Restructuring Program Account,” Account # 11X0091 at the U.S. Department of the Treasury.
  - (h) “Differential Payment” means the amount, calculated by USG in its sole discretion, equal to (i) the aggregate amount that would have been owing to USDA under the Outstanding Obligations prior to the Payment Due Date according to the original terms of the Outstanding Obligations, less (ii) an amount equal to the aggregate of all payments made by GOP under the New Obligation prior to the Payment Due Date.
  - (i) “Entry into Force Date” has the meaning set forth in Section 9.1.
  - (j) “Forest Conservation Agreement” means that certain Forest Conservation Agreement, dated as of even date herewith, among the US NGOs, the Peruvian NGOs and GOP pursuant to which the parties thereto agree to promote eligible activities designed to conserve, maintain and restore the Forest Land.
  - (k) “Forest Land” means (i) that portion of SINANPE described in Exhibit A, which will be conserved, maintained and restored with funds provided pursuant to the Forest Conservation Agreement, and (ii) any other forest land in Perú approved for

conservation, maintenance and restoration by a majority vote of the Oversight Committee in accordance with the terms of the Forest Conservation Agreement.

(l) “Fund Administrator” means Profonanpe, or another Peruvian non-governmental organization designated by the Oversight Committee pursuant to the Forest Conservation Agreement, or any successor to any of the foregoing.

(m) “GOP” means the Government of the Republic of Perú, its agencies and instrumentalities.

(n) “New Obligation” means GOP’s new undertakings pursuant to this Agreement that shall replace the Outstanding Obligations and obligate GOP (i) to make the payments to the Fund Administrator in accordance with the Forest Conservation Agreement, and (ii) to make the payments to USDA in accordance with Schedule A and the terms and conditions set forth herein and in accordance with USDA’s loan management guidelines.

(o) “Outstanding Obligations” means USDA Loan 96 PEA under the agreement entitled “P.L 480” dated December 31, 1996, that obligates GOP to repay principal and interest on debt whose outstanding principal amounts to U.S.\$ 28,315,096.47 as of January 1, 2002.

(p) “Oversight Committee” means the oversight committee formed and operated pursuant to the Forest Conservation Agreement.

(q) “Party” means either USG or GOP, and “Parties” means, collectively, USG and GOP.

(r) “Payment Due Date” has the meaning set forth in Section 6.2(a).

(s) “Peruvian NGOs” has the meaning set forth in the Forest Conservation Agreement.

(t) “Profonanpe” means the *Fondo Nacional para Áreas Naturales Protegidas por el Estado*, a not-for-profit corporation organized under the laws of Perú pursuant to Decree Law 26154 (December 1992), and any of its successors.

(u) “Schedule A” means the schedule, attached to this Agreement, that lists the U.S. dollar payments of principal and interest to be made by GOP to USDA pursuant to this Agreement.

(v) “SINANPE” means the *Sistema Nacional de Áreas Naturales Protegidas por el Estado*, the Peruvian national system of protected areas.

(w) “Swap Fee Contractual Agreement” means that certain Swap Fee Contractual Agreement among USG and the US NGOs, dated as of even date herewith, as may be amended from time to time.

(x) “TFCA” means the U.S. Tropical Forest Conservation Act of 1998, Public Law No. 105-214, as amended.

(y) “TNC” means The Nature Conservancy, a nonprofit corporation organized under the laws of the District of Columbia in the United States of America, and any of its successors.

(z) “USDA” means the U.S. Department of Agriculture.

(aa) “USDA Account” means the Commodity Credit Corporation Finance Account #12X4143 at the USDA in the name of “Commodity Credit Corporation”, ALC# 8585, on the books of the Federal Reserve Bank of New York.

(bb) “USG” means the Government of the United States of America, acting primarily through the U.S. Department of the Treasury.

(cc) “US NGOs” means TNC, WWF and CI; *provided, however*, that in the event that any of WWF, TNC or CI determines prior to the Closing Date, for whatever reason, that it does not desire to consummate the transactions contemplated under the Swap Fee Contractual Agreement and the Forest Conservation Agreement, and the other US NGO(s) desire to consummate the transactions contemplated thereunder pursuant to Section 8.2(c) of the Swap Fee Contractual Agreement and Section 5.3 of the Forest Conservation Agreement, then “US NGOs” shall mean such US NGO(s) that have elected to proceed with the Closing as provided thereunder.

(dd) “WWF” means the World Wildlife Fund, Inc., a nonprofit corporation organized under the laws of the State of Delaware in the United States of America, and any of its successors.

## **ARTICLE II CLOSING**

- 2.1. Obligations of USG. Pursuant to the terms and subject to the conditions hereof, at the Closing USG shall (a) make the Debt Reduction Payment, thereby prepaying and canceling all amounts due and unpaid under the Outstanding Obligations, and (b) substitute the New Obligation for the Outstanding Obligations.
- 2.2. Obligations of GOP. Pursuant to the terms and subject to the conditions hereof, at the Closing GOP shall (a) substitute the New Obligation for the Outstanding Obligations, and (b) make the first payments due to the Fund Administrator in accordance with the terms of the Forest Conservation Agreement.

- 2.3. Closing. The consummation of the transactions contemplated in this Article II shall take place simultaneously in a single act (the “Closing”) as soon as practicable after the date on which GOP and the US NGOs shall have received notice from USG that the conditions set forth in Section 4.1 have been satisfied or waived, but in no event later than (a) the first Business Day after the date which is twenty (20) days after the Entry into Force Date, or (b) such later Business Day as may be agreed by the Parties and the US NGOs in writing on or before the date set forth in Section 2.3(a) (the “Closing Date”).

### **ARTICLE III PAYMENT OF NEW OBLIGATIONS**

- 3.1. Payments of Principal and Interest. GOP shall make payments of principal and interest to USDA, in each case in U.S. dollars, in accordance with Schedule A and in accordance with the payment conditions and default provisions of the Outstanding Obligations. All payments made to the USDA Account shall be deposited by wire transfer in accordance with the wire transfer instructions set forth in Part I of Exhibit C.
- 3.2. Overdue Payments. Interest shall accrue, at an interest rate of three and twenty-six hundredths percent (3.26%) per annum, on any overdue and unpaid installment of either principal or interest payable to the USDA under the New Obligation. GOP shall make any such overdue payments in U.S. dollars in accordance with the payment instructions set forth in Section 3.1 and in accordance with the payment conditions and default provisions of the Outstanding Obligations.
- 3.3. No Assignment. GOP shall not assign, delegate or otherwise transfer its obligations under the New Obligation or this Agreement to any third party.

### **ARTICLE IV CONDITIONS TO CLOSING**

- 4.1. Conditions Precedent of USG. The obligation of USG hereunder to make the Debt Reduction Payment at the Closing shall be subject to the fulfillment or waiver on or prior to the Closing Date of the following conditions, each of which shall be performed to the satisfaction of USG:
- (a) Swap Fee Contractual Agreement. The US NGOs shall have executed and delivered the Swap Fee Contractual Agreement, and each of the US NGOs shall have duly performed and complied in all material respects with all agreements, covenants and conditions required to be performed or complied with by it under the Swap Fee Contractual Agreement as of the Closing Date.
- (b) Opinion of the *Oficina de Asesoría Jurídica* of the Ministry of Economy and Finance. USG shall have received a legal opinion of the *Oficina de Asesoría Jurídica* of the Ministry of Economy and Finance addressed to USG and each US NGO in the form of Exhibit B.

(c) Forest Conservation Agreement. The Forest Conservation Agreement shall have been executed and delivered by the parties thereto and the transactions contemplated thereunder shall have been consummated prior to, or concurrently with, the Closing, or the conditions set forth in Section 2.4 of the Forest Conservation Agreement shall have been satisfied or waived.

(d) Other Documents. USG shall have received from GOP such further documents, opinions and/or certificates as USG shall reasonably request.

## **ARTICLE V ADDITIONAL COVENANTS OF GOP**

- 5.1. Imposition of Taxes. GOP agrees to take no action, including the imposition of any taxes, levies, fees or other charges, that could reasonably be expected to interfere with or reduce any of the payments required to be made by GOP pursuant to the Forest Conservation Agreement.
- 5.2. Consultation. GOP agrees to consult with the Peruvian NGOs and US NGOs before undertaking any action that could reasonably be expected to affect the activities of the Peruvian NGOs in or relating to the Forest Land.
- 5.3. Financial Reports. GOP agrees to forward to USG, within thirty (30) days of receipt, all annual activity reports, financial audits and other reports from the Peruvian NGOs required by the Forest Conservation Agreement relating to the use of payments received pursuant to the Forest Conservation Agreement, the preservation and conservation of the Forest Land and any other related activities of the Peruvian NGOs.

## **ARTICLE VI FAILURE TO MAKE PAYMENTS**

- 6.1. New Agreements. In the event GOP fails to make any payment specified in this Agreement or in the Forest Conservation Agreement when due, no new agreements under Title I of the U.S. Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law No. 83-480) and/or no new credit agreements under the U.S. Food for Progress Act of 1985 (Public Law No. 99-198) shall be concluded by USG and GOP unless and until GOP shall have made all payments due under the Forest Conservation Agreement, or USG otherwise agrees.
- 6.2. Outstanding Obligations Restored.
  - (a) Consultation. In the event that GOP fails to make any payment specified in this Agreement or in the Forest Conservation Agreement when due (the “Payment Due Date”), GOP shall commence discussions with USG within seven (7) Business Days after the Payment Due Date to seek to resolve such matter.

(b) Discounts Reversed. If GOP does not make full payment under this Agreement or the Forest Conservation Agreement (including all accrued interest due as set forth in Section 3.2 of this Agreement and Section 3.5 of the Forest Conservation Agreement, as the case may be) within thirty (30) Business Days after the Payment Due Date, then the discounts on the Outstanding Obligations offered as a concession to GOP in this Agreement shall be reversed and the undiscounted obligations of GOP under the Outstanding Obligations shall be restored in accordance with the following procedures: (i) all future payments of principal and interest specified in Schedule A shall be made to USDA in accordance with the terms of this Agreement, (ii) all future payments specified in Forest Conservation Agreement shall be made to the Fund Administrator in accordance with the terms of the Forest Conservation Agreement, (iii) GOP shall immediately make the Differential Payment to the U.S. Treasury account specified in Part II of Exhibit C to reverse past discounts received by GOP, and (iv) GOP shall make future payments to the U.S. Treasury account specified in Part II of Exhibit C in an the amount, calculated by USG in its sole discretion, equal to (A) the amount that would have been owing to USDA under the Outstanding Obligations after the Payment Due Date according to the original terms of the Outstanding Obligations, less (B) an amount equal to the aggregate of the payments made to USDA and the Fund Administrator in accordance with (b)(i) and (b)(ii) above.

## **ARTICLE VII CONSULTATION**

Upon the written request of either Party, the Parties shall consult concerning the implementation or interpretation of this Agreement. These consultations shall take place within thirty (30) days after a request for consultations is received from the other Party.

## **ARTICLE VIII AMENDMENT AND NOTIFICATION**

8.1. Amendment. This Agreement may be amended with the written consent of both Parties.

8.2. Notice. Notifications under the Agreement shall be delivered as follows:

(a) To USG:

Deputy Assistant Secretary for International  
Development, Debt and Environment Policy  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220 U.S.A.  
(202) 622-0154 (telephone)  
(202) 622-2536 (facsimile)

(b) To GOP:

Ministry of Economy and Finance  
General Direction of Public Credit  
Jr. Junín 319 - Lima 1  
Perú  
(511) 426-9822 (telephone)  
(511) 426-8500 (facsimile)  
Attn: Sr. Fernando Lituma Aguero  
Director General de Crédito Público

## **ARTICLE IX ENTRY INTO FORCE AND TERMINATION**

- 9.1. Entry into Force. This Agreement shall enter into force twenty (20) days after the date of the last signature hereto (the “Entry into Force Date”).
- 9.2. Termination. This Agreement shall terminate (a) in the event that the Closing has not taken place on or before the date which is twenty-five (25) days after the Entry into Force Date, or such later Business Day as may be agreed to by the Parties in writing on or before the date which is twenty-five (25) days after the Entry into Force Date, or (b) if the Closing has occurred, upon the payment by GOP of all amounts due under the Forest Conservation Agreement.

## **ARTICLE X OTHER PROVISIONS**

- 10.1. Exhibits and Schedules. The following exhibits and schedules are part of this Agreement:

Exhibit A	Description of Forest Land
Exhibit B	Form of Legal Opinion
Exhibit C	Wire Transfer Instructions

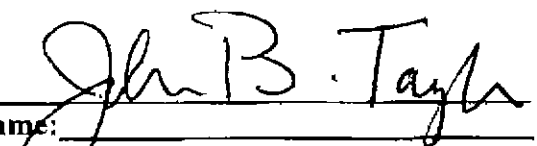
Schedule A    Schedule of Payments to be Received by USDA

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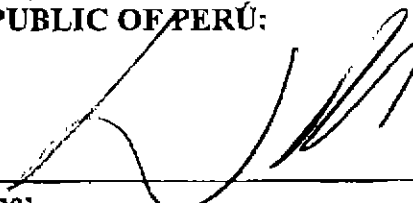
IN WITNESS WHEREOF the Parties have executed and delivered this Agreement.

DONE in Washington, D.C., as of the date and year first above written, in duplicate, in English.

FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA:

  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FOR THE GOVERNMENT OF THE  
REPUBLIC OF PERÚ:

  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*[Signature Page to Debt Swap Agreement]*

IN WITNESS WHEREOF the Parties have executed and delivered this Agreement.

DONE in Washington, D.C., as of the date and year first above written, in duplicate, in English.

FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE  
REPUBLIC OF PERÚ:

Name: John B. Taylor  
Title: Under Secretary (International  
Affairs)

Name: Allan Wagner  
Title: Ambassador of Peru to the United  
States

*Schedule A - page 1*

**EXHIBIT A**  
**Description of Forest Land**

1. Pacaya Samiria National Reserve.

The national reserve established by Decree 16-82-AG with a total area of 2,080,000 hectares. The borders of the reserve are as follows: In the north, the border starts from the village of Veracruz located at 75°35' longitude west and 5°06' latitude south and follows the waters below the right bank of the Marañon River until it joins with the Ucayali River. In the east, it starts from the coordinates 73°35' longitude west and 4°29' latitude south extending from the upper waters of the left bank of the Ucayali River and following the Puinahua canal to the coordinates 75°08' longitude west and 6°07' latitude south, close to the town of Vista Alegre on the Ucayali. In the south, it extends from the eastern border toward the west along the strip that divides the Samiria and Chambira rivers until it reaches the coordinates 75°27' longitude west and 6°08' latitude south, then it goes north along the strip dividing the Huallaga and Alto Samiria rivers to the village of Veracruz.

2. Apurimac Reserved Zone

The Apurimac Reserved Zone (ARZ) was established by Supreme Resolution 0186-88-AG, on April 28, 1988, with a total area of 1,669,200 hectares (16,692 square kilometers). The reserve is located between 72°56'24'' - 74°13'12'' West and 10°48'00'' - 12°48'00'' South. The altitude varies between 300 and 4 500 meters above sea level. The Apurimac Reserved Zone comprises the provinces of La Concepción in the department of Cuzco, Atalaya in the department of Ucayali and Satipo in the department of Junin. The most important water basins are those of the Lower Urubamba, Tambo, Ene and Apurimac rivers. Access from the east side of the Vilcabamba Range is by air to Sepahua, and from there along the Urubamba River by boat. From the west (banks of the Ene and Tambo rivers), access to the area is through the locality of Satipo, following the route Lima - La Merced – Satipo (420 Km.). From Satipo one may go by road to Puerto Ocopa (64 Km.) and by boat along the Tambo or Ene rivers. No transverse or lengthwise road crosses the range of mountains, although there are some paths ancestrally used by pedestrians.

3. Manu Reserved Zone

The Manu Reserved Zone was established by Supreme Resolution R.S. 0151-80-AG-DGFF, on June 26, 1980, with a total area of 257,000 hectares (2,570 square kilometers). The reserve is located between 70°47'24'' - 71°20'24'' West and 11°48'00'' - 12°24'00'' South. The altitudinal range is not very wide, varying between 300 and 500 meters above sea level. It is located in the provinces of Manu and Paucartambo, departments of Madre de Dios and Cuzco respectively. Access by air is from Lima to Cuzco, then by surface the trip from Cuzco to

Shinguya takes one and a half days. Or one may take a boat and sail along the Upper Madre de Dios River to the Manu River, a 6-hour voyage. One may also fly on a small aircraft from Cuzco to the mouth of the Manu river; this flight takes approximately 45 minutes.

4. Manu National Park

The Manu National Park was established by Supreme Decree 644-73-Ag on May 29, 1973, with a total area of 1,532,806 hectares (15,328.06 square kilometers). In 1977, Manu was recognized by UNESCO as Biosphere Reserve and in 1987 as Natural Heritage of Mankind. The reserve is located between 71°10'00'' - 72°25'00'' West and 11°16'00'' - 13°11'00'' South. The altitude varies between 240 to 4 000 meters. It is located in the provinces of Manu and Paucartambo, departments of Madre de Dios and Cuzco respectively. Manu is one of the few natural rainforests still existing in the world, and its authenticity and natural environments constitute its main touristic appeal. This national park also contains unstudied archaeological sites as well as other important pre-hispanic ruins, such as the Pusharo petroglyphs in the region of the Palotoa River, and the Mamería ruins.

5. Machu Picchu Historical Sanctuary

Machu Picchu Historical Sanctuary was established by Supreme Decree 119-80-AA on August 14, 1980, with a total area of 32,592 hectares (325.92 square kilometers). UNESCO has recognized Machu Picchu as Cultural and Natural Heritage of Mankind. The reserve is located between 74°06'22'' - 74°07'52'' West 13°01'12'' - 13°02'30'' South. Elevations in the area range from 1 800 to 6 270 meters above sea level. This natural area is located in the department of Cuzco, province of Urubamba, district of Machu Picchu. The Historical Sanctuary of Machu Picchu is located in a Peruvian region which is part of the Andean and also part of the Amazonia. Access by air is from Lima to the city of Cuzco (the flight takes approximately an hour and 15 minutes); then by train (5 hours) to Aguas Calientes. Finally, a 7,8 kilometer road takes you from Aguas Calientes to the citadel of Machu Picchu.

6. Bahuaja Sonene National Park

The Bahuaja Sonene National Park was established by Supreme Decree 048-2000-AG, on September 4, 2000, with a total of area of 1,091,416 hectares (10,914.16, square kilometers). The reserve is located between 69°31'00'' - 68°44'00'' West and 12°40'00'' - 13°10'00'' South. The altitude varies between 250 and 400 meters above sea level. This natural area is located in the south eastern region of Perú, bounded on the east by the Republic of Bolivia, the area comprises part of the province of Tambopata, in the south east of the department of Madre de Dios, and the provinces of Carabaya and Sandia, in the north of Puno. The area includes ecosystems of high and low tropical forest in both departments.

7. Tambopata-Candamo Reserved Zone

The area was established by Supreme Decree. 0032-90-AG/DGFF, on January 26, 1990, with a total area of 1,043,998 hectares (10,439.98 square kilometers). The reserve is located between 69°00'00'' - 70°20'43'' West and 12°30'06'' - 13°53'06'' South. The altitude varies between 220 and 3000 meters above sea level. This area comprises the provinces of Tambopata, Carabaya and Sandia; in the departments of Madre de Dios and Puno. Access from Madre de Dios is by air from Lima to Puerto Maldonado (1 ½ hour-flight); then by boat along the Tambopata, Malinowski or Madre de Dios rivers. Access from Puno is by air from Lima to Juliaca (2 hour-flight), then by road from Puno to Putina Punco (approximately 12 hours); and then by boat (zodiac) along the Tambopata River (two-day voyage).

8. Amarakaeri Reserved Zone

This area was established by Supreme Decree 028-2000-AG on July 6, 2000, with an area of 419,139 hectares (4,191.39 square kilometers). The altitude varies between 300 and 3 300 meters above sea level. The reserve is located between 70°29'24'' - 71°19'12'' West 12°18'36'' - 13°16'12'' South. The Amarakaeri Reserved Zone is located by the Madre de Dios and Karene basins, in the area inhabited by the Harakmbut native communities. Politically, this area comprises the district of Madre de Dios, province of Manu, in the department of Madre de Dios.

9. Alto Purús Reserved Zone

This area was recently established as reserved zone by Supreme Decree 001-2002-AG on January 6, 2002 with a total area of 2,724,263 hectares (27,242.63 square kilometers). The altitude varies between 200 to 600 meters above sea level. The reserve is located between 70°32'24'' - 73°33'00'' West and 9°26'24'' - 11°37'48'' South. This reserved zone is located in the provinces of Purús and Atalaya, department of Ucayali, and in the province of Tahuamanu, in the department of Madre de Dios.

10. Cordillera Azul National Park

The Cordillera Azul National Park was established by Supreme Resolution DSN 031-2001-AG. del 21 de mayo del 2001. on may 21, 2001, with a total area of 1.35 million hectares (5,000 square miles). The reserve is located between 6°15'00''S - 9°00'00''S and 75°20'00''O and 76°40'00'' O. This area has been re-designated to the highest protection category and renamed Cordillera Azul National Park. The reserved zone was expanded from 1,137,786 to 1,353,191 hectares in order to protect all the mountains in this area and to define natural boundaries. The Cordillera Azul National Park limits run between the rivers Huallaga and Uyakali . This new national park is the second largest in Perú, and protects the montane forests of the departments of San Martín, Ucayali , Loreto and Huanuco.

**EXHIBIT B**  
**Form of Legal Opinion**

[Closing Date]

Deputy Assistant Secretary for International  
Development, Debt and Environment Policy  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220 U.S.A.

The Nature Conservancy  
4245 North Fairfax Drive, Suite 100  
Arlington, Virginia 22203-1606

Conservation International Foundation  
1919 M Street, N.W.  
Washington, D.C. 20036

World Wildlife Fund, Inc.  
1250-24th Street, N.W.  
Washington, D.C. 20009

Ladies and Gentlemen:

I, as the *Jefe de Oficina de Asesoría Jurídica* of the Ministry of Economy and Finance of the Government of the Republic of Perú (“GOP”), at your request, render this opinion in connection with the execution and delivery by GOP of (a) the Agreement between the Government of the United States of America (“USG”) and GOP Regarding a Debt-For-Nature Swap, dated \_\_\_\_\_, 2002 (the “Debt Swap Agreement”), and (b) the Forest Conservation Agreement, dated \_\_\_\_\_, 2002 (the “Forest Conservation Agreement”), among Conservation International Foundation, a nonprofit public benefit corporation organized under the laws of the State of California in the United States of America (“CI”), The Nature Conservancy, a nonprofit corporation organized under the laws of the District of Columbia in the United States of America (“TNC”), World Wildlife Fund, Inc., a nonprofit corporation organized under the laws of the State of Delaware in the United States of America (“WWF”) (together with CI and TNC, the “US NGOs”), *Fondo Nacional para Áreas Naturales Protegidas por el Estado*, a not-for-profit corporation organized under the laws of Perú pursuant to Decree Law 26154 (December 1992) (“Profonanpe”) and GOP. The Debt Swap Agreement and the Forest Conservation Agreement are referred to herein collectively as the “Debt Swap Documents.”

Capitalized terms used herein without definition have the respective meanings ascribed thereto in the Debt Swap Documents.

I have examined, *inter alia*, the following:

1. The Peruvian Constitution; *Decreto Supremo* N° 096-96-EF; *Resolución Ministerial* N° 197-96-EF; *Ley* 27575, *Ley de Endeudamiento del Sector Público para el Año Fiscal* 2002; *Decreto Ley* N° 26154; *Decreto Supremo* N° 024-93-AG and amendments thereto enacted through *Decreto Supremo* N° 043-94-AG and *Decreto Supremo* N° 007-98-AG; and *Resolución Suprema* N° 098-2001-AG, as amended by *Resolución Suprema* 001-2002-AG.

2. The Debt Swap Documents;

3. Evidence that there have been granted all appropriate authorizations, approvals, licenses and consents which may be necessary to authorize GOP to perform all actions necessary on its part to implement the provisions of the Debt Swap Documents, and that the same are in full force and effect.

4. All such other laws, regulations and documents as I have considered necessary or advisable for the purpose of giving this opinion.

In addition, I have made such other investigations as I have considered appropriate for the purpose of giving this opinion.

Based upon such examinations, I am of the following opinion:

A. GOP has full power and authority to incur the obligations set forth in the Debt Swap Documents, to execute and deliver the Debt Swap Documents, to comply with the provisions thereof, and to perform the obligations expressed to be binding upon it in the Debt Swap Documents.

B. The Debt Swap Documents constitute legal, valid and binding obligations of GOP, enforceable in accordance with their respective terms, and the financial obligations of GOP thereunder are and will continue to constitute the direct, unconditional and general obligations of GOP, and rank and will rank at least *pari passu* in all respects with all indebtedness now existing or hereafter issued, created or assumed by GOP.

C. In light of the fact that the acts contemplated under the Forest Conservation Agreement constitute commercial activities of GOP and Profonampe, the following acts are irrevocably binding on GOP:

1. The waiver of immunity from (a) attachment in aid of execution, (b) execution and (c) attachment prior to the entry of judgment;

2. The waiver of the defense of an inconvenient forum; and

3. The submission to binding arbitration under the Arbitration Rules of the International Chamber of Commerce.

D. The choice of law of the State of New York, United States of America as the governing law of the Forest Conservation Agreement is a valid choice of law.

E. The execution and delivery of the Debt Swap Documents, the performance by GOP of its obligations thereunder and compliance by GOP with the terms thereof, have been duly authorized by all necessary actions of GOP and do not as of the date hereof:

1. Violate any provisions of any law, rule, regulation, order, judgment, injunction, decree, resolution, determination or award of any court or any judicial, administrative or governmental authority or organization having applicability to GOP;

2. Conflict, be inconsistent with or result in a breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, any agreement or other instrument, arrangement or obligation (whether written or oral) to which GOP is a party or by which it or any of its property, assets or revenues may be bound or affected; or

3. Constitute any arrangement that will create or result in any lien, pledge, mortgage, charge or other encumbrance or security interest whatsoever over the whole or any part of the undertaking, property or assets, present or future, of GOP, as security in respect of any present or future obligation of GOP in respect of any indebtedness.

F. The officials of GOP executing the Debt Swap Documents and all notices, instruments and other documents required thereunder or otherwise related thereto were, are and will be fully authorized to execute the same for and on behalf of GOP.

G. GOP is not in default under any such law, rule, regulation, order, judgment, injunction, decree, resolution, determination or award as is referred to in paragraph E(1) of this opinion, nor is GOP in default under any agreement, instrument, arrangement or obligation as is referred to in paragraph E of this opinion, in any such case being a default which could reasonably be expected to have a material adverse effect on the property, assets, revenues or condition of GOP or on GOP's ability duly to perform and observe its obligations under the Debt Swap Documents.

H. It is not necessary or advisable in order to ensure the legality, validity, enforceability or admissibility in evidence of the Debt Swap Documents that the Debt Swap

Documents or any other agreement, document, notice or instrument be filed, recorded, registered, authenticated, legalized or enrolled with any court or authority in Perú or that any stamp, registration or similar tax be paid on or in relation to the same.

I. All acts and conditions required to be done, performed and to have occurred prior to, and all consents, approvals, exemptions and other requirements of governmental, public and other bodies and authorities required for or in connection with, the execution and performance of the transactions contemplated by the Debt Swap Documents in order to make the obligations of GOP thereunder valid, binding and enforceable in accordance with their respective terms have been done, performed and occurred in strict compliance with the laws of Perú and all applicable Peruvian regulations and regulatory requirements, and are in full force and effect.

J. There is no litigation or administrative proceedings of or before any court or governmental authority or agency or tribunal pending (or to my knowledge threatened) to enjoin or restrain the execution or performance by GOP of either of the Debt Swap Documents or in any manner to question the laws and proceedings under which any of the Debt Swap Documents have been or are to be executed, performed or enforced, and none of the said laws and proceedings have been repealed, revoked or rescinded in whole or in part.

K. No consents, licenses, approvals or authorizations of, or declarations to, governmental authorities or agencies are required other than those already obtained to implement and make effective the arrangements contemplated by the Debt Swap Documents.

L. The Debt Swap Documents are in proper legal form under the laws of Perú for the enforcement thereof against GOP, each of the US NGOs and Profonanpe, as applicable.

M. The execution and delivery by each of the US NGOs and Profonanpe of the Forest Conservation Agreement, and the consummation of the transactions contemplated therein (including the making of grants to FCA Grant Recipients), do not and will not result in any assessments, taxes, levies, fees or other charges that could reasonably be expected to interfere with or reduce any of the payments required to be made by GOP pursuant to the Forest Conservation Agreement. For the avoidance of doubt, the opinion set forth in this Paragraph M does not extend to any assessments, taxes, levies, fees or other charges that may be incurred by an FCA Grant Recipient making an expenditure of FCA Income in the ordinary course of business.

N. GOP is subject to civil law with respect to its obligations under the Forest Conservation Agreement. Under the laws of Perú, GOP has no immunity from the jurisdiction of the courts, or from suit or any other legal process with respect to the obligations of GOP under the Forest Conservation Agreement, save that no execution can be levied against GOP's property situated in Perú to satisfy a judgment debt or otherwise.

I express no opinion other than as to the laws of Perú.

This opinion is given pursuant to Section 4.1(b) of the Debt Swap Agreement and Section 2.4(a) of the Forest Conservation Agreement solely for the benefit of USG, the US NGOs and the Peruvian NGOs.

Very truly yours,

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*Jefe de Oficina de Asesoría Jurídica* of the  
Ministry of Economy and Finance of the  
Government of the Republic of Perú

**Exhibit C**  
**Wire Transfer Instructions**

**Part I:**

The information supplied on the wire transfer must include:

- a. USDA ABA No. = 02103004.
- b. *Federal Reserve Foreign Dept.*  
Type Code = 10 = *Payments from Commercial Banks*
- c. ABA (Account) No. of Sender.
- d. US Dollar Amount.
- e. USDA Agency Location Code (ALC) = 8585
- f. Detail concerning purpose of payment: For account of Commodity Credit Corporation under the Perú TFCA Agreement, dated \_\_\_\_\_, 2002, Account #12X4143.

**Part II:**

Payments to the Debt Restructuring Account can be made by depositing the amounts due with the Federal Reserve Bank of New York for credit to the account of the United States Treasury, ALC No. 20-18-0099. The deposit with the Federal Reserve Bank of New York should be made using the following wire instructions:

021030004  
TREAS NYC/CTR/  
BNF=/AC-20180099 OBI=FOR CREDIT TO THE UNITED STATES TREASURY,  
DEBT RESTRUCTURING ACCT, SUITE 6D37, 3700 EAST-WEST HIGHWAY,  
HYATTSVILLE, MD 20782

The bank should be instructed to include line 3 of the above wire instruction ☐ BNF=/AC-20180099 OBI=☐ exactly on all transfers.

All correspondence concerning these payments should be addressed to:

Department of the Treasury  
Financial Management Service  
Credit Accounting Branch  
P.G. Metro Center II Building, Suite 6D40  
3700 East-West Highway  
Hyattsville, MD 20782  
(202)-874-8740  
(202)-874-7900 – fax

\* \* \*

**SCHEDULE A**  
**Schedule of Payments to be Received by USDA**

*[Please see spreadsheet on following page]*