

June 26, 1967

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PHILIPPINES ON THE USE OF THE SPECIAL FUND FOR EDUCATION FOR THE TEXTBOOK PRODUCTION PROJECT, 1967. 1968

UNITED STATES OF AMERICA

Special Fund for Education for the Textbook Production Project

Agreement effected by exchange of notes

Signed at Manila 26 June 1967;

With Annexes;

Entered into force 26 June 1967.

I

The American Ambassador to the Secretary of Foreign Affairs of the Philippines

No. 1002

Manila, June 26, 1967

Excellency:

I have the honor to refer to our April 26, 1966 exchange of notes concerning the Special Fund for Education authorized by Public Law 88-94, approved August 12, 1963, as an amendment to the Philippine War Damage legislation of 1962, and to the recent discussions about the Textbook Production Project 1967-1968, formally proposed by Your Excellency's Government on February 7, 1967, and attached as Annex A to this note. As indicated in the proposal of Your Excellency's Government, this project calls for Special Fund financing of 2,940,000 textbooks for use in public elementary and secondary schools.

I now have the honor on behalf of my Government to inform Your Excellency that this project has been approved for the expenditure of two million five hundred sixty four thousand one hundred three dollars (\$2,564,103) from the Special Fund for Education. I have the further honor to propose that the following understandings, drawn up in accordance with the April 26, 1966 exchange of notes, govern the implementation of this project:

1. Dollar disbursements for the project shall be made by the United States Government for deposit in depository banks in the United States designated by the Chairman of the National Economic Council of the Government of the Republic of the Philippines to the credit of the said National Economic Council; thereafter, the National Economic Council shall deposit the peso equivalent at current exchange rates in the Philippine National Bank, Manila. Interest accrued on the foregoing accounts shall be spent for the production of textbooks in addition to those contemplated in the project proposal. The first dollar disbursement will be made within two weeks after the date of this exchange of notes; subsequent disbursements will be made on August 1 and September 15, 1967, as shown in Annex B to this note. Each disbursement will be made advance for the work to be undertaken as contemplated in the implementation schedule, attached as Annex C to this note. Disbursements from the peso account shall be made by the National Economic Council upon deliveries of the books. The National Economic Council shall furnish the United States Government with detailed reports concerning such disbursements and deliveries, and with interim progress reports concerning other phases of the project.

2. Your Excellency's Government undertakes to identify the textbooks produced with support of the Special Fund for Education, indicating that these textbooks were produced by the Philippine Government with funds made available by the people of the United States of America in recognition of the common efforts of the Philippines and the United States during World War Two.

3. Your Excellency's Government shall provide a final and comprehensive status report upon the completion of this project.

Upon receipt of a note from Your Excellency indicating that the foregoing understandings are acceptable to the Government of the Philippines, the Government of the United States of America will consider that this note with its annexes and Your Excellency's reply thereto constitute an agreement between our two Governments on the use of the Special Fund for Education for the Textbook Production Project, 1967-1968.

Accept, Excellency, the assurances of my highest consideration.

WILLIAM MCCORMICK BLAIR, JR.

Annexes:

- A. Textbook Production Project 1967-1968.
- B. Special Fund for Education Textbook Production Project Disbursement Schedule.
- C. Special Fund for Education Textbook Production Implementation Schedule.

His Excellency Narciso Ramos
Secretary of Foreign Affairs
Manila

ANNEX A

(Emblem: REPUBLIC OF THE PHILIPPINES – DEPARTMENT OF EDUCATION]

SPECIAL FUND FOR EDUCATION

TEXTBOOK PRODUCTION PROJECT, 1967-1968

TEXTBOOK PRODUCTION PROJECT

A Project Proposal of the Department of Education
Submitted to the Special Fund for Education Committee

Manila, Philippines. January 1967

I. SUMMARY

Project Title

SPECIAL FUND FOR EDUCATION TEXTBOOK PROJECT

Brief Description

The project is intended to help reduce the acute shortage of textbooks in the public elementary and general secondary schools.

The amount of P10,000,000 requested for this project, in addition to P1,440,000 from the Bureau of Public Schools, will be used to produce 2,940,000 textbooks over a period of 19 to 20 months from March 1967 to September 1968.

Implementing Agency

The Department of Education Special Projects Group for Textbooks (SPGT) in the Office of the Secretary will be the implementing agency for this Project.

Funding

The following funds will be utilized for the Project:

	Pesos
From the Special Fund	P 10,000,000
.....	
From the Bureau of Public Schools	1,440,000
	<hr/>
	Total 11,440,000

The latter amount of P1,440,000 is assured. There is, in addition, an amount of P2.9 million in the Bureau of Public Schools which is intended for the purchase during the remaining period of FY 1966-1967 of textbooks for the intermediate and secondary schools. Therefore, this textbook project corresponding to the foregoing P1,440,000 will be supplemented by a purchasing project of P2,900,000.

II. DESCRIPTION

Background

War-time losses in plant and instructional materials, the great demand for education, the high rate of population growth especially in the school-age group, and budgetary limitations have combined to confront the public schools system with a critical shortage of textbooks.

The five-year Textbook Production Project under the joint assistance program of the I.C.A. (U.S.A.) now the U.S. Agency for International Development (AID) and the National Economic Council (Philippines) through the sponsorship of the Department of Education (Bureau of Public Schools) was a valuable contribution towards the reduction of the textbooks shortage.

Under the Textbook Production Project approximately 21,300,000 books have been produced and delivered to the Bureau of Public Schools.

Moreover, the Textbook Production Project generated the build-up of local printing capacity. Facilities now existing are adequate for meeting a large portion of public school textbook needs.

The Textbook Production Project is phasing out with the completion of obligation of funds for paper and paper products. The phase-out will be completed with the achievement of production and delivery of the books.

The experience with the Textbook Production Project has disclosed some administrative inadequacies. The Secretary of Education has therefore directed that this Special Fund for Education Textbook Project be more directly placed under his supervision, and assigned the Project to the Department of Education Special Projects Group for Textbooks (SPGT).

The SPGT has reviewed the operations of the Textbook Production Project and decided to conduct a technical study of textbook development as the basis for future textbook protection programs. A small team of foreign experts working with Filipino counterparts is anticipated.

Justification

No elaborate justification is needed in the face of acute necessity.

Data on enrolment and textbooks available in the public elementary and secondary schools in 1965 are as follows:

TABLE I

Grade or year	Enrolment, 1965	Textbooks available
Elementary:		
Grades 1 and 2	2,448,820	8,222,342
Grades 3 and 4	1,751,050	8,338,797
Grades 5 and 6	1,127,676	5,064,264
Total	5,327,546	21,625,403
Secondary:		
Years I and II.....	193,938	801,125
Years III and IV	109,629	391,307
Total	303,567	192,432

A complete set of textbooks per pupil on the basis of one volume per subject in Grades 1 and 2 is 5; in Grades 3 and 4 it is 6.5; in Grades 5 and 6 it is 7; and in each of the years in the high school it is 8. The corresponding textbooks needs, volumes available, and shortages are indicated as follows:

Table II

Grade or year	Textbook needed	Textbook available	Textbook shortage
Elementary:			
Grades 1 and 2	12,244,100	8,222,342	4,021,758
Grades 3 and 4	11,381,825	8,338,797	3,043,028
Grades 5 and 6	7,893,732	5,064,264	2,829,468
Total	31,519,657	21,625,403	9,894,254
Secondary			
Years I and II	1,551,504	801,125	750,379
Years II and IV	877,032	391,307	485,725
Total	2,428,536	1,192,432	1,236,104

There is therefore a shortage of 9,895,000 volumes for the elementary schools and 1,236,000 in the secondary schools, for a total of around 11,131,000.

Project Objectives

It is intended to produce 2,940,000 textbook volumes under this project, distributed among the various levels as follows:

Table III

Grade or year	no of books to be printed	Total Cost
Elementary:		
Grades 1 and 2	1,248,730	P1,440,000
Grades 3 and 4	985,900	4,800,000
Grades 5 and 6	515,630	2,800,000
Secondary:		
Years I IV.....	368,608	2,400,000
Total	3,118,868	P11,440,000

Note. Outside of this project, the Department of Education is applying for loan assistance from the Government Service Insurance System in the amount of P5 million for additional textbooks in the Bureau of Public Schools, and P2 million for textbooks in the Bureau of Vocational Education.