

No. 10127

**UNITED STATES OF AMERICA
and
PHILIPPINES**

Exchange of notes constituting an agreement on the use of the Special Fund for Education for the Textbook Production Project, 1967-1968 (with annexes and related notes of 26 April 1966). Manila, 26 June 1967

Authentic text: English.

Registered by the United States of America on 5 January 1970.

**ÉTATS-UNIS D'AMÉRIQUE
et
PHILIPPINES**

Échange de notes constituant un accord relatif à l'utilisation du Fonds spécial pour l'éducation aux fins du Projet de production de manuels scolaires, 1967-1968 (avec annexes et notes connexes du 26 avril 1966). Manille, 26 juin 1967

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 5 janvier 1970.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
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

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, 1966² 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 Spécial 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 ex-

¹ Came into force on 26 June 1967 by the exchange of the said notes.

² See page (136) of this volume.

change 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 in 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

A N N E X 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 ₱ 10,000,000 requested for this project, in addition to ₱ 1,440,000 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 :

	<i>Pesos</i>
From the Special Fund	10,000,000
From the Bureau of Public Schools	1,440,000
	<hr/>
TOTAL	11,440,000

The latter amount of ₱ 1,440,000 is assured. There is, in addition, an amount of ₱ 2.9 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 ₱ 11,440,000 will be supplemented by a purchasing project of ₱ 2,900,000.

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 textbook 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 production 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

<i>Grade or year</i>	<i>Enrolment, 1965</i>	<i>Textbooks available</i>
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	1,192,432

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 textbook needs, volumes available, and shortages are indicated as follows :

TABLE II

<i>Grade or year</i>	<i>Textbooks needed</i>	<i>Textbooks available</i>	<i>Textbooks shortage</i>
<i>Elementary :</i>			
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
<i>Secondary :</i>			
Years I and II	1,551,504	801,125	750,379
Years III 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

<i>Grade or year</i>	<i>Number of books to be printed</i>	<i>Total cost</i>
<i>Elementary :</i>		
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
<i>Secondary :</i>		
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 P 5 million for additional textbooks in the Bureau of Public Schools, and P 2 million for textbooks in the Bureau of Vocational Education.

The loan-assisted project for the Bureau of Public Schools, as well as projects subsequent to this Special Fund for Education Project, will be implemented under the textbook development program which is expected to be formulated under the Department of Education Special Projects Group for Textbooks. The new program will be developed through the work of a foreign-expert group and Filipino counterparts, over a period of two years from about May or June 1967. It is anticipated that they will look into questions of textbook content, format and design, production and printing, distribution, costs and financing, and organization of a national book development council. The preliminary discussions regarding the foreign-expert group or team have started.

This project is a companion to the schoolbuilding construction project (P 51 million) proposed for financing under the Special Fund for Education. Together, they will increase the effectiveness of the national educational effort in the public schools system to a significant extent. There is every justification for confidence in the attainment of their objectives, because of the atmosphere and machinery of implementation and project supervision established by the national administration and by the leadership in the Department of Education.

It may be noted, finally, that a complex of projects and measures are being planned or undertaken in the Department of Education for better planning of public education and for the improvement of educational programs. Among these may be mentioned the creation of a unit for educational planning, coordination and standards in the Office of the Secretary; the reorganization of project supervision and project reporting to place coordination strictly in the Office of the Secretary; and projects of evaluation and assistance for vocational and higher education.

III. ORGANIZATION

The administration of the project will be undertaken by the Textbook Production Service of the Bureau of Public Schools.

The project will be supervised by the Department of Education Special Projects Group for Textbooks. The SPGT is under an Undersecretary, who will be the Project Director. With him will be the Director of the Bureau of Public Schools, who will be the Deputy Director and who will have day-to-day administrative responsibilities for the project.

Such features of the organization and procedures of the Textbook Production Service (AID-NEC-BPS) as are inconsistent with the efficient exercise of supervision and coordination by the SPGT are abolished or revised accordingly.

IV. IMPLEMENTING SCHEDULE

Inasmuch as the P 1.44 million from the Bureau of Public Schools is assured, and inasmuch as the machinery for implementation in the Department of Education and

Bureau of Public Schools is ready, the speedy realization of project objectives depends on the early approval of this proposal and on the early release of funds.

Implementation of the project, beginning with the call for bids from contractors as indicated in the sequence of operations presented below, can begin one (1) month after the release of project funds. The schedule of operations is as follows :

1967-1968

- | | |
|--|-------------------------------------|
| 1. Preparation of Production Schedule | First 15 days of the first month |
| 2. Approval of production schedule by the Secretary of Education upon recommendation of the Advisory Committee | Last 15 days of the first month |
| 3. Public Bidding : | |
| (a) Certification of the Bureau of Printing of jobs that said office cannot undertake | Second month |
| (b) Advertising bids (once a week for 3 consecutive weeks) | Third month |
| (c) Opening of bids, awarding of contracts, preparation of papers of contracts, and approval of contracts | Fourth, fifth and sixth months |
| 4. Production of Books : | |
| (a) Placing of Order of materials by contracts | Seventh, eighth and ninth months |
| (b) Actual Production, Printing, binding and cartoning | Tenth through fifteenth months |
| 5. Distribution of textbooks | Sixteenth through eighteenth months |

V. PROJECT BUDGET

The total amount for this project is ₦ 11,440,000 of which ₦ 10 million is applied for from the Special Fund for Education and ₦ 1.44 million from the budget of the Bureau of Public Schools.

No amount is earmarked for administrative expenses of the project such as salaries of personnel and expenses for equipment and supplies. These are provided for in the regular budget of the Department of Education.

The breakdown of costs in terms of the volumes to be produced under this project is shown in Table III, *Supra*.

VI. PROJECT CONTINUITY

The production of textbooks for the public school system is a continuous activity.

Upon the termination of this project such funds of the Philippine Government as are available from budgetary and other sources will be used for replenishment of old books, replacements of obsolete books, and production of new books in accordance with the recommendation of the SPGT.

APPENDIX A

LISTS OF TEXTBOOKS THAT WILL BE PRINTED UNDER THIS PROJECT

<i>Title of the book</i>	<i>Quantity</i>	<i>Peso value</i>
<i>Grade I</i>		
Pre-primers I	210,860	P105,430.00
Pre-primers II	218,800	109,400.00
Primers	120,280	97,426.80
First Readers	66,360	86,931.60
Arithmetic Workbooks (Modern)	121,490	193,328.10
Social Studies	75,800	98,540.00
Jose Rizal	107,450	219,198.00
TOTAL	921,040	P910,254.50
<i>Grade II</i>		
Readers	105,420	P140,208.60
Social Studies	68,360	99,805.60
Arithmetic (Modern Arithmetic Workbooks)	52,500	69,825.00
Music Teacher's Manual	4,940	22,872.00
Meaningful Arithmetic	4,800	11,856.00
Jose Rizal	91,670	185,178.30
TOTAL	327,690	P529,745.50
TOTAL Grade I - II	1,248,730	P1,440,000.00
<i>Grade III</i>		
Music	22,210	P109,273.20
Teachers Guide in English	6,000	14,820.00
Jose Rizal	178,920	763,988.40
Tagalog	178,920	780,091.20
Health and Science	130,130	804,203.40
TOTAL	516,180	P2,472,376.20
<i>Grade IV</i>		
Music	140,030	648,338.90
Teachers Guide in English	5,600	15,512.00
Jose Rizal	71,820	339,708.60
Tagalog	140,030	625,934.10
Health and Science	112,240	698,130.20
TOTAL	469,720	P2,327,624.80
TOTAL Grade III - IV	985,900	P4,800,000.00

<i>Title of the book</i>	<i>Quantity</i>	<i>Peso value</i>
<i>Intermediate: Grade V</i>		
Music	146,000	P722,700.00
Jose Rizal	67,248	326,201.30
Tagalog	36,288	217,728.00
Health and Science	44,890	252,730.70
TOTAL Grade V	294,426	P1,519,360.00
<i>Grade VI</i>		
Social Studies	67,088	444,122.56
Jose Rizal	86,308	474,694.00
Tagalog	34,288	171,440.00
Health and Science	33,520	190,383.44
TOTAL Grade VI	221,204	P1,280,640.00
TOTAL Intermediate	515,630	P2,800,000.00
<i>Secondary : First Year</i>		
English	19,980	P123,476.40
Reading	16,300	119,805.00
Philosophy, Prose and Poetry	15,920	37,412.00
Jose Rizal	24,720	150,792.00
Tagalog	24,720	100,320.00
TOTAL, First year	101,640	P531,805.40
<i>Second Year</i>		
English	14,918	103,232.56
Reading	16,898	133,494.20
Philosophy, Prose and Poetry	9,298	13,017.20
Introductory Mathematics	17,298	136,654.20
Jose Rizal	20,078	130,306.22
Tagalog	19,078	114,468.00
TOTAL, Second year	97,568	P631,172.38
<i>Third Year</i>		
Literature	11,640	131,532.00
Philosophy, Prose and Poetry	9,040	24,136.80
Philippine Problems	16,920	115,902.00
Geometry	14,660	102,620.00
Primer for Pre-Military Training	20,000	117,000.00
Jose Rizal	16,920	101,520.00
Tagalog	16,220	97,320.00
TOTAL, Third year	105,400	P690,030.80
<i>Fourth Year</i>		
Philosophy, Prose and Poetry	6,130	15,999.30
Literature	9,210	105,915.00
World's History	11,830	173,053.52
Physics	11,610	130,657.40
Physics (Manual)	11,610	39,706.20
Tagalog	13,610	81,660.00
TOTAL, Fourth year	64,000	P546,991.42
TOTAL (Secondary)	368,608	P2,400,000.00

ANNEX B

SPECIAL FUND FOR EDUCATION

TEXTBOOK PRODUCTION PROJECT

DISBURSEMENT SCHEDULE

Two weeks from date of this agreement	\$ 100,000.00
August 1, 1967	1,182,000.00
September 15, 1967	1,282,103.00
	TOTAL \$2,564,103.00

ANNEX C

SPECIAL FUND FOR EDUCATION

TEXTBOOK PRODUCTION PROJECT

IMPLEMENTATION SCHEDULE

May 15 - May 30, 1967	Preparation of Production Schedule
June 1 - June 15, 1967	Approval of Production Schedule
June 16 - July 15, 1967	Bureau of Printing Certifications
July 16 - August 15, 1967	Advertising of Bids
August 16 - November 15, 1967	Opening of Bids. Awarding of Contracts
September 1 - November 15, 1967	Placing of Order of Materials by Contractors
November 16, 1967 - August 15, 1968	Actual Production, Printing, Binding and Cartoning
April 16 - September 15, 1968	Distribution of Textbooks

II

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

No. 13731

Manila, June 26, 1967

Excellency :

I have the honor to acknowledge the receipt of Your Excellency's note No. 1002 dated June 26, 1967, 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 the recent discussions about the Textbook Production Project 1967-1968, which reads as follows :

[See note I]

I wish to inform Your Excellency that the foregoing understandings are acceptable to the Government of the Philippines, and that Your Excellency's note with its annexes and this note 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.

Narciso RAMOS
Secretary of Foreign Affairs

His Excellency
Ambassador William McCormick Blair, Jr.
Embassy of the United States
Manila

RELATED NOTES

(of 26 April 1966)

[*As under No. 10126; see p. 110 of this volume.*]