

May 18, 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 SCHOOL  
BUILDING CONSTRUCTION PROJECT, 1967-1968**

**UNITED STATES OF AMERICA**

**Special Fund for Education for School Building Construction Project**

Agreement effected by exchange of notes;

Signed at Manila 18 May 1967;

With Annexes;

Entered into force 18 May 1967.

**I**

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

No. 907

Manila, May 18, 1967

Excellency:

I have the honor to refer to our April 26, 1966<sup>[1]</sup> 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 School Building Construction Project 1967-1968, formally proposed by Your Excellency's Government on April 1867, and attached as Annex A to this note. As indicated in the proposal of Your Excellency's Government, this project, an element in the Presidential School Building Program, calls for Special Fund financing of 5,000 BPS-I-66 type, three-classroom school buildings and 1,545 II-A-D2 Army type, two-classroom school buildings with a combined total of 18,090 classrooms. I now have the honor on behalf of my Government to inform Your Excellency that this project has been approved for the expenditure of thirteen million seventy-seven thousand dollars (\$13,077,000) from the Special Fund for Education. I have the further honor to propose that the following understandings, drawn up in accordance with the exchange of notes of April 26, 1966, 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. The first disbursement by the United States Government will be made within two weeks after the date of this exchange of notes, and, as shown in Annex B to this note, the final one is scheduled for May 1, 1968. Each disbursement will be made in advance for the work to be undertaken and, except for the first, within two weeks after the National Economic Council certifies in a detailed progress report that the Special Fund for Education portion of this project has substantially reached the stage of implementation as shown in Annex C to this note.
2. Your Excellency's Government undertakes to identify the school buildings constructed with support of the Special Fund, for Education, indicating that those buildings were constructed 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 School Building Construction Project, 1967-1968.

Accept, Excellency, the assurances of my highest consideration.

**WILLIAM MCCORMICK BLAIR, JR.**

Annexes:

- A. School Building Construction Project, 1967-1968
- B. Special Fund for Education School Building Construction Project Disbursement Schedule.
- C. Special Fund for Education School Building Project 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**

**SCHOOL BUILDING CONSTRUCTION PROJECT, 1967-1968**

**(Final copy)**

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**SCHOOL BUILDING CONSTRUCTION PROJECT**

A Project of the Department Education  
Submitted to the Special Fund for Education Committee  
Under the US, War Damage Act  
Manila, Philippines, November 1966

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**SPECIAL FUND FOR EDUCATION**

**PUBLIC SCHOOL BUILDING CONSTRUCTION PROJECT**

Project data

Special Fund Allocation	P51,000,000.00
Duration	13-½ months
Executing Agency	Presidential School Building Committee  Office of the President, Republic of the Philippines

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**I. SUMMARY**

1. Project Title

**PUBLIC SCHOOL BUILDING CONSTRUCTION PROJECT**

2. Brief Description

The project is for the construction of 6,545 school building units.

Two types of school buildings, designed for permanency and to meet climatic requirements, will be constructed:

- a. The BPS-1-66 Type—a one-storey building of steel framing, concrete flooring, hollow-block sidings and galvanized iron roofing accommodating 3 classrooms,
- b. The ARMY IIA-D2 Type—a one-storey building of concrete flooring, wooden sidings and galvanized iron roofing accommodating 2 classrooms.

The school buildings will be distributed in the different provinces and cities, according to a distribution plan based on the reported requirements for classrooms of the Bureau of Public Schools.

Approximately 5,000 units of the BPS-I-66 type and 1,545 units of the ARMY IIA-D2 type will be constructed, or a total of 18,090 classrooms at the termination of the project.

### 3. Implementing Agency

The project will be undertaken by the Presidential School Building Committee composed of the Executive Secretary, Secretary of Education, Secretary of National Defense, Secretary of Agriculture and Natural Resources, Commissioner of the Budget, the Secretary of Community Development, and the Secretary of Public Works and Communications.

The preparation of the school building components and their shipment to the building sites under this project will be undertaken by the Bureau of Public Works, Department of Public Works and Communications, and by the Corps of Engineers, Armed Forces of the Philippines. Installation or construction will be by local communities.

### 4. Funding

The estimated cost of materials and expenses for the construction of the school houses is P51 million. This is based on an estimated unit cost of T5, 500 for the Army IIA-D2 type and P8,500 for the BPS-I-66 type. These unit costs are based on present location of prefabrication plants and will be reduced by a better location to be adopted sometime before FY 1967-68, as a result of which, shipping distances will be considerably reduced.

### 5. Duration

The project will be completed in a period of thirteen and one-half months, beginning May 15, 1967.

## II. PURPOSE AND DESCRIPTION

### 1. Background and History

The lack of adequate, appropriate and durable school buildings has always been a problem of public education in the Philippines.

In the last World War, under the Japanese occupation, the educational program was seriously disrupted and, in many areas, was discontinued. Most of the children of school age were force out of school. School property was damaged to the extent of an estimated P126, 000,000.00.

This was compounded by the accumulating backlog of children not in schools and the confused and precarious economic situation immediately after independence.

The use of make ship buildings, the establishment of double-single-sessions and other emergency and stop-gap arrangements were resorted to, but facilities remained short of the basic needs. Private schools, most of which were substandard, increased rapidly due to the demand for education.

Congress, recognizing the constitutional and historical commitments to free public instruction, passed the Elementary Education Act of 1953 (Republic Act No. 896) to require the attendance of all children from ages 7 to 13 in schools and to eliminate the double-single session and other emergency plans. Lack of funds, however, prevented the execution and implementation of these provisions.

During the administration of the late President Magsaysay, pre-fabricated school buildings were designed and distributed as a quick solution to the recurring classroom crisis. Thousands of pre-fabricated school buildings were constructed under the supervision and administration of the Presidential School Building Committee.

Congress, in recognition of the serious implications of the shortage in school houses, appropriated in 1964, in Republic Act No. 4171, the amount of P1,000,000,000 for a 20-year School Building Construction Program with an annual outlay of ^50,000,000. However, for Fiscal Years 1962-1963 and 1963-1964, the first two years of the program, not a single peso was released by the government.

Under these conditions there resulted a backlog of 93,725 classrooms. The present administration has already released P16 M for the first two quarters of Fiscal Year 1966-1967.

### 2. Justification

The public elementary school housing situation as shown by latest complete data is that 1,937,000 pupils out of the total school population were housed in temporary, borrowed and rented classrooms. Using the accepted ratio of 40 pupils to a class, there is a need for 48,425 classrooms to house these pupils in permanent buildings designed for school purposes. The typhoons of 1964 and 1965 destroyed an additional 9,300 classrooms. The extension classes opened during School Years 1964-1967 to accommodate the increments in enrolments accounted for another backlog of 36,000 classrooms. With the release of P16 M for the construction of school houses for the first and second quarters, 1967-1967, however, the requirements starting the 3rd quarter of Fiscal Year 1966-67, that is, January 1967, will be as follows:

48,425 — Number of classrooms to accommodate the elementary school population

	now housed in temporary and rented buildings.
	9,300 — Number of additional classrooms destroyed by typhoons.
	12,000 — 1964-1965 backlog.
	12,000 — 1965-1966 backlog.
	12,000— 1966-1967 backlog.
	<hr/>
	93,725
	Less 5,747— Number of classrooms constructed 1964-1967.
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	87,978 — Total number of classrooms required.

The construction of the two types of buildings proposed in this project will only partially solve the problem. At the estimated cost of P8,500 for the BPS-I-66 type and P5,500 for the Army type, and on the basis of 5,000 units of the first type and 1,545 units of the second type, a total of 18,000 classrooms will be constructed under the project. At most this project will therefore meet 21% of the total classroom requirements.

Nevertheless, this addition to the programmed government expenditures on school buildings will have a wide and permanent impact on the efficiency of the educational effort.

### 3. Objectives

No less than an estimated 804,000 pupils all over the country will be housed in adequate facilities. It should also be noted that school sites will be made available by the local governments and the community; this arrangement stimulates local participation and support for educational activities in particular, and enhances the growth of healthy relations between the government and the country, in general.

From a broader point of view, the improvement of classroom and related school activities will improve the lower level support for secondary and higher education programs in the Philippines. Moreover, this project will enhance the success of other projects of the Bureau of Public Schools, especially the improvement of science facilities and teaching, as well as the improvement of teacher-training institutions.

### 4. Principal Activities

To realize the objectives set forth in this project, two principal activities are proposed:

a. The construction of as many low-cost school houses as possible, estimated to be 6,545 units in this project, designed to meet climatic and academic conditions:

(1) The BPS-I-66: This type of school building is intended primarily for typhoon areas. The design allows easy expansion through construction of additional units according to a variety of layouts. This convertible type of 2-3 room school building provides economy and control in space depending on instruction needs and class sizes. In areas where large enrolment is expected, 3 buildings of this type can amply accommodate complete elementary school from the first through the sixth grade.

With demountable partitions, this building can also be utilized as a hall and a meeting place for community gatherings, as well as for other activities of local civic and PTA groups. Hence, the building is multi-purpose: for the use of school children and for the improvement and stimulation of cultural participation in every locality.

The construction cost of this type of school building is approximately P8, 500 per unit. The cost covers that of the materials and labor to complete each building, thus each classroom unit costs P2.833.00.

(2) The Army Type: This type is a two-room unit of pre-fabricated wooden components. This type is intended to be used in non-typhoon areas, although the earlier units constructed since 1954 demonstrate its strength and durability. It has concrete flooring and galvanized iron roofing, with a capacity of 90 school children per unit. Estimated cost per two room unit is 1\*5,500 delivered to the erection site excluding only sand and gravel and labor for erection.

b. The allocation and installation of school-houses in the various sites are based on the reported field requirements for classrooms of the Bureau of Public Schools.

The school-houses to be built are allocated proportionately to the existing needs of the divisions for classrooms, where the needs are defined to include: the number of classrooms to accommodate children in rented and temporary houses; the classrooms to replace those destroyed by typhoons; and the number of classrooms to accommodate incenses in enrolment.

## III. ORGANIZATION AND STAFFING

The Presidential School Building Committee shall have direct responsibility and supervision over this project. This Committee, organized by virtue of Administrative Order No. 16, dated 8 August 1966, is composed of the Executive Secretary as chairman, with the Secretary of National Defense, Secretary of Education, Secretary of Agriculture and Natural Resources, Secretary of Public Works and Communications, Secretary of Community Development and the Budget Commissioner, as members. The Chief of Staff of the Armed Forces of the Philippines is the Executive Officer of the Committee. In the field provincial sub-committees supervise the actual implementation of the program. This sub-committee is presided over by the Division Superintendent of Schools with the District Highway Engineer, Provincial Community Development Officer, and the Philippine Constabulary Provincial Commander.

Under the Presidential committee are the different "pre-fab" school building producing agencies: the Department of Public Works and Communications and the Corps of Engineers of the Armed Forces of the Philippines.

The Department of Public Works and Communications was organized primarily to administer programs of public works construction in the country. In most of the projects of the Department of Public Works several agencies cooperate, including private dealers, sub-contractors and suppliers, to meet particular problems. The staff of the Department having undertaken various projects including school building programs is a highly qualified and competent agency to execute this project.