

No. 11978

UNITED STATES OF AMERICA
and
PHILIPPINES

**Exchange of notes constituting an agreement on the use of the
Special Fund for Education for the Project for Assistance to the
Philippine Agrarian Reform Education Program (with annex).
Manila, 21 March 1972**

Authentic text : English.

Registered by the United States of America on 26 September 1972.

ÉTATS-UNIS D'AMÉRIQUE
et
PHILIPPINES

**Échange de notes constituant un accord relatif à l'utilisation du
Fonds spécial pour l'éducation aux fins d'un Projet d'aide au
Programme philippin d'enseignement de la réforme agraire
(avec annexe). Manille, 21 mars 1972**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 26 septembre 1972.

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 PROJECT FOR ASSISTANCE
TO THE PHILIPPINE AGRARIAN REFORM EDUCATION
PROGRAM

I

*The American Ambassador to the Philippine Acting Secretary
of Foreign Affairs*

No. 149

Manila, March 21, 1972

Excellency :

I have the honor to refer to our April 26, 1966 exchange of notes² concerning the Special Fund for Education authorized by United States Public Law 88-94 and to the recent discussions about the Project for Assistance to the Philippine Agrarian Reform Education Program proposed by Your Excellency's Government. This project calls for the use of the \$1,281,935 remaining in the Special Fund for Education to establish a permanent trust fund, earnings from which shall be used for agrarian reform education programs. The details of this Project are elaborated in the annex to this note.

I have the honor on behalf of my Government to inform Your Excellency that this Project, as outlined in the annex to this note, has been approved, and for this purpose \$1,281,935 will be made available from the Special Fund for Education. I have the further honor to propose that the following understandings drawn up in accordance with our April 26, 1966 exchange of notes, govern the implementation of this Project.

1. The United States Government shall make the dollar disbursement for this Project in depository banks designated by the Chairman of the National Economic Council of the Government of the Republic of the Philippines to the credit of the Agrarian Reform Education Fund, National Economic Council, Government of the Republic of the Philippines. This disbursement shall be made following the designation of the Department of Agrarian Reform to serve as trustee of the trust fund referred to in the next paragraph and within two weeks of notification of the banks designated as depositors.

¹ Came into force on 21 March 1972 by the exchange of the said notes.

² United Nations, *Treaty Series*, vol. 706, p. 57.

2. The enduring character of the Agrarian Reform Education Fund is secured by the undertaking of Your Excellency's Government to establish it as a permanent trust and to ensure that its principal is maintained intact with only the earnings therefrom being utilized to finance programs of assistance to agrarian reform education.

3. Materials describing the origin of the Agrarian Education Fund shall identify the contribution of the Special Fund for Education 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 II.

4. Your Excellency's Government shall, three years from the date of this Agreement provide the Government of the United States of America with a comprehensive report of the activities of the Agrarian Reform Education Fund.

Upon receipt of a note from Your Excellency indicating that the foregoing understandings are acceptable to the Government of the Republic of the Philippines, the Government of the United States of America will consider that this note with its annex and Your Excellency's reply thereto constitute an agreement between our two Governments on the use of the Special Fund for Education for the Project for Assistance to the Philippine Agrarian Reform Education Program.

Accept, Excellency, the renewed assurances of my highest consideration.

HENRY A. BYROADE

Enclosure :

Annex.

His Excellency Manuel Collantes
Acting Secretary of Foreign Affairs
Manila

ANNEX

FUND FOR ASSISTANCE TO THE PHILIPPINE AGRARIAN REFORM EDUCATION PROGRAM

I. *Description of the Project*

This Project involves the establishment by the Government of the Republic of the Philippines of a permanent trust fund to be known as the Fund for Assistance to the Philippine Agrarian Reform Education Program (hereinafter referred to as the "Fund"). For this Project the United States Government shall make \$1,281,935 available from the Special Fund for Education.

The Fund's earnings, whether in the form of interest, dividends or capital gains, will be utilized exclusively to finance programs and projects for agrarian reform education in the Philippines, and its principal may be augmented by future grants, donations and transfers by the Philippine Government or any other public or private entity. The Fund will be managed so as to maximize its earnings, but also in a prudent

manner consistent with its character as a perpetual trust. Any unused earnings of the Fund may be capitalized to increase its principal.

II. *Objectives of the Project*

This Project is intended to assist those educational efforts required in support of an effective agrarian reform program as envisioned in the Philippine Agricultural Land Reform Code, as amended. Educational programs eligible for financing include those which support :

- Education for the individual farmer and farm family, including tenant, lease holder, and land owner; and orientation for the rural community. Subjects of such education could include farm cooperatives, agricultural productivity and home management.
- Training of the technical and professional personnel of the agrarian reform agencies.
- Agrarian research and continuing evaluation of land reform programs, including initial support to an Agrarian Reform Institute.
- Improvement of the National Land Reform Center for Continuing Education and regional and provincial demonstration and program centers.
- Establishment and operation of a Southeast Asia Library on Agrarian Reform.

III. *Organization and Staffing*

The Department of Agrarian Reform will serve as trustee of the Fund and, in this capacity, shall formulate general policy for the Fund and make the decisions on the use of the Fund's income and capital gains, including final action on appropriations for grants and research projects. The Department will formulate and adopt an assistance program based on the guidelines set forth under section II above. In order to ensure optimum utilization of the Fund, the Department of Agrarian Reform shall extend preference to projects which are enduring or self-sustaining or incorporate counterpart financial arrangements.

In order to obtain advice and professional counsel for the wise and prudent investment and management of the capital entrusted to it, the Department of Agrarian Reform shall be assisted by the Agrarian Reform Education Committee to be composed of the following membership :

Secretary of Finance—Chairman

Chairman, Board of Investments, or his representative—Member

Chairman, National Economic Council or his representative—Member.

In the event the Department ceases to exist, the successor to the Department, named by the Government of the Philippines, shall exercise the responsibilities of the Department with respect to the Fund.

Educational programs and projects shall be undertaken through the Philippine Land Reform Center for Continuing Education, or its successor. The Center's Training Director shall be the Executive Director of the programs and projects arising out of this Fund and shall recommend to the Council such programs and projects for implementation.

IV. *Scheduled Implementing Sequence*

The sequence of steps in implementing this Project shall be as follows :

- A. Constituting the Department of Agrarian Reform as trustee of the Fund ;
- B. Release of \$1,281,935 by the United States Government ;
- C. Start of investment program, and ;
- D. Authorization by the Department of Agrarian Reform of expenditures for approved programs and projects and release thereof to the Philippine Land Reform Center for Continuing Education.

II

REPUBLIKA NG PILIPINAS
KAGAWARAN NG SULIRANING PANLABAS
MAYNILA¹

No. 72-823

Manila, 21 March 1972

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note No. 149 dated 21 March 1972 regarding the Project for Assistance to the Philippine Agrarian Reform Education Programe, provided for by the Special Fund for Education, which reads as follows :

[*See note I*]

I have the honor to inform Your Excellency that the Government of the Philippines accepts the Project annexed to the note as well as the undertakings proposed to govern the implementation of this Project, and agrees that the note and this reply shall constitute an agreement between our two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

[*Signed*]

MANUEL COLLANTES
Acting Secretary of Foreign Affairs

His Excellency Henry Byroade
Ambassador Extraordinary and Plenipotentiary
Embassy of the United States of America
Manila

¹ Republic of the Philippines, Department of Foreign Affairs, Manila.