

No. 422

**COOPERATIVE FOR AMERICAN
RELIEF EVERYWHERE, INC.**

**Donation of Commodities
for School Feeding Program**

*Agreement signed at Manila 10 July 1967;
Entered into force 10 July 1967.*

**AGREEMENT BETWEEN THE PHILIPPINE GOVERNMENT AND THE COOPERATIVE
FOR AMERICAN RELIEF EVERYWHERE, INC. FOR 1967. Manila, 10 July 1967.**

The Government of the Republic Philippines, hereinafter referred to as the GOVERNMENT, represented by the Honorable Carlos P. Romulo, Secretary of Education, and the Cooperative for American Relief Everywhere, Inc., hereinafter referred to as CARE, represented by Mr. Edward T. Greaves, Chief of Mission, CARE-Philippines, have agreed as follows:

1. CARE has offered to seek to acquire by donation from the United States Government approximately 6,000,000 pounds net of milk powder; 3,250,000 pounds net of flour; 750,000 pounds net of fats and oils, hereafter referred to as the commodities, for distribution to certain groups of needy persons in the Philippines over a one-year period beginning about July 1, 1967. In the event circumstances make it impossible to complete distribution within the one-year period, however, the program may be continued for such additional period as may be determined by the Bureau of Public Schools of the Department of Education.
2. CARE will request the above commodities from the United States Government in three installments; each installment to approximate one-third of the total quantity, and will ship the commodities in such quantities as are made available to it by the United States Government immediately after they are delivered to it by the United States Government.
3. CARE will make every effort to secure from the United States Government the quantity of commodities indicated and to arrange for its delivery in the Philippines, but the Philippine Government will not assert any claim against CARE for loss or damage to the commodities involved in this program or for failure to make delivery due to causes beyond CARE's control.
4. The performance by CARE for its obligations under this agreement will involve certain dollar costs to that organization. Such costs include the cost of handling, marking, insurance, and necessary administrative and operating expenses of CARE in the United States properly attributed to this particular program. CARE has estimated such dollar costs to be approximately \$62,500,000 for the entire program. It is understood that this figure is an approximation and that the actual costs will vary depending on certain costs which are subject to fluctuation. It is further understood that CARE will endeavor to keep the costs above-mentioned to the minimum and that it will offer all possibilities for collaboration in this matter to the officials of the GOVERNMENT.
5. In addition, CARE will have certain costs, incurred in the currency of the Philippines, in connection with CARE's administration and observation of

the distribution of the commodities. These costs may include salaries of local employees, expenses of the mission chief, assistant mission chief, and field representatives, including per diem, maintenance, traveling expenses, and any other related expenses incurred at the Mission. These costs are necessary in order that the distribution of the donated commodities may be accomplished according to CARE's practice. CARE has estimated such costs to be approximately P350,000.00. It is understood that this figure is an approximation and that the actual costs will vary depending upon expenses in operating the program which are subject to fluctuation.

6. CARE has explained that being a non-profit, charitable organization, it does not have the funds with which to finance the program. The Government, therefore, agrees to the following arrangements:

a. The sum of \$40,000.00 will be forwarded to the New York office of CARE within sixty days after July 1, 1967. The remaining \$22,500.00 in estimated dollar needs will be forwarded to the New York office of CARE by January 1, 1968.

b. At the conclusion of the program, CARE will submit a written statement to the GOVERNMENT showing the nature and amounts of the various dollar costs incurred. Upon presentation of this statement, should the dollar costs exceed the payment to CARE the balance will be paid CARE in such manner as CARE may prescribe. Should, however, the dollar costs to CARE be less than the payments to it, the balance in favor of the GOVERNMENT will be refunded to it by CARE in such manner as the GOVERNMENT may prescribe.

c. In either case, such balance shall be the net balance after deducting from the total expenses amounts to recoveries from warehousemen, carriers or insurers received by CARE on account of any loss of, or damage to, the commodities hereunder where such recoveries are in excess of the liquidated damages, due the United States Government on account of such loss or damage.

d. To cover CARE's administration and observation of internal distribution, the GOVERNMENT agrees to advance to the CARE-Philippines office, within sixty days after July 1, 1967, a sum in its currency in the amount of 230,000.00 pesos to be placed in a special account in the same bank in Manila as other CARE-Philippines accounts are maintained. The remaining 120,000.000 Pesos to be placed in a special account by January 1, 1968.

e. At the conclusion of the program, CARE will submit a written statement to the GOVERNMENT showing the nature and amounts of the various peso costs incurred. Upon presentation of this statement, should

the peso costs exceed the payment to CARE the balance will be paid CARE in such manner as CARE may prescribe. Should, however, the peso costs to CARE be less than the payment to it, the balance in favor of the GOVERNMENT will be refunded to it by CARE in such manner do the GOVERNMENT may prescribe.

7. The GOVERNMENT agrees that in arranging for ocean shipment, CARE will select and appoint all shipping brokers required to effect shipment.

8. Possession of the commodity will be transferred by CARE to the GOVERNMENT which will thereupon be entrusted with its physical distribution in the Philippines, at the end of ship's tackle at the port or ports of discharge in the Philippines.

9. In order to assure compliance with the law, regulations and contract terms and conditions under which CARE will obtain the commodities from the United States Government, the GOVERNMENT agrees as follows:

a. The commodities, when entrusted to the GOVERNMENT for distribution in the Philippines will not be sold, exchanged or disposed of except by non-commercial distribution free of cost to needy persons in the Philippines, in accordance with a program mutually acceptable to CARE and to the GOVERNMENT. For this purpose, needy persons are those persons who by virtue of their personal economic status are in need of food assistance.

b. The GOVERNMENT will provide or cause to be provided proper facilities in the Philippines for the handling, storage and disposal of the commodities in the Philippines at all times in such manner and under such storage and transportation conditions as to insure their ultimate distribution in good condition to needy persons in the Philippines.

c. In the distribution of the commodities the GOVERNMENT will take such steps as are necessary to assure that the recipients thereof will not diminish their normal expenditures for food by reason of the donation.

d. The distribution in the Philippines shall be supervised by United States citizens representing CARE and residing in the Philippines at the time the program of distribution is in operation.

e. No part of the commodities will, after the distribution in the Philippines, be imported into the United States, its territories or possessions, in any form or by any persons.

f. The GOVERNMENT will maintain adequate records of distribution and submit reports as requested by CARE.

g. The GOVERNMENT agrees to hold CARE harmless against any claim of the United States Government resulting from the failure of the GOVERNMENT to carry out its obligations under this Paragraph 9. As an example,

but not by way of limitation, the GOVERNMENT agrees to reimburse CARE in the amount of any claim asserted by the United States Government against CARE for loss or damage to the commodities subsequent to their off-landing at the end of the ship's tackle at port or ports of discharge in the Philippines when such loss or damage results in failure to distribute the commodities to the recipients for whom they are intended.

10. Title to the commodities shall rest in CARE until distribution to the ultimate recipients is effected. In carrying out the responsibility of the GOVERNMENT for the distribution of the commodities, the Bureau of Public Schools of the Department of Education will be charged to act on behalf of the GOVERNMENT and will make all arrangements for the receipt of the commodities, upon their discharge for their storage, for their transportation and for their ultimate distribution in accordance with the terms of this agreement.

11. Recognizing the beneficial nature of the program for which the donated commodities described herein are to be used, the commodities as well as any equipment and supplies required to be imported by CARE for the administration of the program and the personal effects, equipment and supplies of American employees of CARE will be admitted free of all import duties, taxes, wharfage, arrastre charges and fees for consular invoices. The exemption herein provided is without prejudice to the collection of customs duties and taxes on articles brought or imported into the Philippines by persons, entities or agencies exempt from the payment of customs duties and taxes which are subsequently sold, transferred or exchanged in the Philippines to persons or entities not entitled to exemption from said customs duties and taxes pursuant to existing laws and regulations governing the matter.

12. The GOVERNMENT will admit to the Philippines such number of American representatives of CARE as are necessary for operation of the feeding program free of all visa fees, immigration fees, head taxes and other entrance, residence or departure fees imposed upon aliens by the Philippine Immigration Act of 1940, as amended. Waiver of visa fees, immigration fees, head taxes and other similar entrance, residence, or departure fees imposed upon aliens by the Philippine Immigration Act of 1940, as amended, will be based upon prior certification of the Chief of Mission, CARE-Philippines, and the Director of the Bureau of Public Schools of the Department of Education that such American representatives are necessary for operation of the program.

13. Whereas the GOVERNMENT, recognizing the possibility that all funds provided CARE under this agreement may not be completely utilized by CARE in the administration of the program, the GOVERNMENT herewith authorizes CARE to use the unutilized funds to make purchases of equipment or materials or to pay for the transportation and costs relating to the travel abroad of Depart-

ment of Education personnel as requested by the Bureau of Public Schools of the Department of Education. The GOVERNMENT requests that its approval for the cost of each item requested be secured before the expenditures are made and further requests that the Department of Education be advised of whatever balances might be remaining after such expenditures in either the peso or dollar accounts of CARE provided by the GOVERNMENT.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed the present agreement in quintuplicate in the English language at Manila, Philippines, this 10th day of July, 1967.

For the Government of the Republic
of the Philippines:

(Sgd.) CARLOS P. ROMULO
Secretary of Education

For Cooperative for American Relief
Everywhere, Inc.:

(Sgd.) EDWARD T. GREAVES
Chief of Mission

Witness:

(Sgd.) INES P. GATMAITAN
Chief of School Medical and Dental Services
Coordinator, Philippines-CARE School Feeding Program
