

Anticipatory Task Force Resolutions
August 2003

The Anticipatory Task Force (ATF) convened as the precursor to the Joint Economic Management Committee (JEMCO) to allocate grant funds that would become available at the start of the FY 2004. October 1, 2003 marked the beginning of the inaugural year of the new period of financial assistance under PL 108-188, the Amended Compact Act.

In August 2003, the ATF adopted a series of resolutions that became the basis for the following special conditions applied to the FY 2004 sector grants awarded to the Federated States of Micronesia:

Education Sector Grant

- (a) The FSM shall have 60 days from the date of grant award to realign this sector budget so that activities and related costs are clearly defined for each funding input under the grant. In doing so, the FSM should use a common or unified format wherever possible.
- (b) The FSM shall have 60 days from the date of grant award to identify the amounts, sources, and the specific strategic focus and activities of all non-Compact funding and direct technical assistance that relates to this sector.
- (c) The FSM shall submit within 180 days from the date of grant award a streamlined and refined statement of outcome measures, baseline data, and annual targets to enable the tracking of outputs and outcomes. In doing so, the FSM should use a common or unified format wherever possible. These materials shall form the basis for setting measurable annual targets for the sector grant budget and performance plan that the FSM submits for FY 2005 funding.
- (d) As a condition precedent to the drawdown of funding for this specific activity, Pohnpei State shall provide written materials to justify the request for \$52,463 for the funding of the Public Library from the Education Sector Grant.

Health Sector Grant

- (e) The FSM shall have 60 days from the date of grant award to realign this sector budget so that activities and related costs are clearly defined for each funding input under the grant. In doing so, the FSM should use a common or unified format wherever possible.

- (f) The FSM shall have 60 days from the date of grant award to identify the amounts, sources, and the specific strategic focus and activities of all non-Compact funding and direct technical assistance that relates to this sector.
- (g) The FSM shall submit within 180 days from the date of grant award a streamlined and refined statement of outcome measures, baseline data, and annual targets to enable the tracking of outputs and outcomes. In doing so, the FSM should use a common or unified format wherever possible. These materials shall form the basis for setting measurable annual targets for the sector grant budget and performance plan that the FSM submits for FY 2005 funding.
- (h) Funds in this grant shall not be used by Kosrae State for sanitation-related home loans.
- (i) As a condition precedent to the drawdown of funding for this specific activity, Yap State shall provide written materials to justify the reprogramming of \$17,913 from the agricultural day activity to be conducted by the Department of Resources and Development, to nutrition education activity of the Department of Health Services.

Public Sector Infrastructure Development Grant

INFRASTRUCTURE	CSG-FSM-2004-INF	\$17,119,155
	FSM Maintenance Fund/FSM Contrib.	\$855,958
	FSM Maintenance Fund/USA Contrib.	\$855,958

- (a) No grant funds may be expended or obligated before an infrastructure development plan (IDP) is developed by the FSM and submitted to the Office of Insular Affairs (OIA) for review.
- (b) To the extent that the infrastructure priorities in the IDP differ materially from those set forth in the FSM Infrastructure Development Plan prepared by Nathan Associates, Inc., written justification should be provided to OIA for concurrence.
- (c) An amount equal to 5% of the total grant must be placed in a separate bank account [the Infrastructure Maintenance Fund (IMF)] which upon deposit by the FSM will be matched by OIA. Funds in this account may be used for operations and maintenance needs once an IMF plan has been developed and submitted by the FSM and approved by OIA.

Public Sector Capacity Building Grant

- (a) The FSM shall have 60 days from the date of grant award to realign its budget so that activities and related costs are clearly defined for each funding input. In doing so, the FSM should use a common or unified format wherever possible.

- (b) The FSM shall have 60 days from the date of grant award to identify the amounts, sources, and the specific strategic focus and activities of all non-Compact funding and direct technical assistance that relates to this sector.
- (c) The FSM shall submit within 180 days from the date of grant award a streamlined and refined statement of outcome measures, baseline data, and annual targets to enable the tracking of outputs and outcomes. In doing so, the FSM should use a common or unified format wherever possible. These materials shall form the basis for setting measurable annual targets for the sector grant budget and performance plan that the FSM submits for FY 2005 funding.
- (d) Funding under this grant shall not be used by the State of Kosrae for Community Affairs or Capital Development purposes.
- (e) As a condition precedent to the drawdown of funding of \$112,698, Chuuk State shall hire a qualified Public Auditor.
- (f) Within six months, the FSM will develop a transition plan to migrate basic operations funding from the Public Sector Capacity Building Sector Grant to local revenues. This plan will provide for this migration to happen over a period not to exceed five years and in amounts no less than 20 percent of the totals in each year, unless otherwise mutually agreed. The following amounts will be included in the transition plan:

\$2,741,115	Chuuk State
909,187	Kosrae State
1,457,080	Pohnpei State
1,726,367	Yap State
<u>3,782,175</u>	National Government
Total Transition Amount	\$ 10,615,924

Environment Sector Grant

- (d) The FSM shall have 60 days from the date of grant award to realign this sector budget so that activities and related costs are clearly defined for each funding input under the grant. In doing so, the FSM should use a common or unified format wherever possible.
- (e) The FSM shall have 60 days from the date of grant award to identify the amounts, sources, and the specific strategic focus and activities of all non-Compact funding and direct technical assistance that relates to this sector.
- (f) The FSM shall submit within 180 days from the date of grant award a streamlined and refined statement of outcome measures, baseline data, and annual targets to enable the tracking of outputs and outcomes. In doing so, the FSM should use a common or unified format wherever possible. These materials shall form the

basis for setting measurable annual targets for the sector grant budget and performance plan that the FSM submits for FY 2005 funding.

- (g) As a condition precedent to the drawdown of funding for this specific activity, Chuuk State shall provide written justification to OIA for the funding of \$100,990 for Marine Resources.
- (h) Funding under this grant shall not be used by Chuuk State for Agriculture Operations or the Government Disaster Office.

Private Sector Development Grant

- (a) The FSM shall have 60 days from the date of grant award to realign this sector budget so that activities and related costs are clearly defined for each funding input under the grant. In doing so, the FSM should use a common or unified format wherever possible.
- (b) The FSM shall have 60 days from the date of grant award to identify the amounts, sources, and the specific strategic focus and activities of all non-Compact funding and direct technical assistance that relates to this sector.
- (c) The FSM shall submit within 180 days from the date of grant award a streamlined and refined statement of outcome measures, baseline data, and annual targets to enable the tracking of outputs and outcomes. In doing so, the FSM should use a common or unified format wherever possible. These materials shall form the basis for setting measurable annual targets for the sector grant budget and performance plan that the FSM submits for FY 2005 funding.
- (d) Funding under this grant shall not be used by Chuuk State for Public Affairs or the Coconut Development Authority.
- (e) Included within this grant is \$80,000 for Chuuk State to use for the COM land grant program and \$29,883 for Agriculture operations.
- (f) Funding under this grant shall not be used by Yap State for the Visitor's Bureau unless OIA approves a reprogramming request.
- (g) Included within this grant is \$888 for Yap State to use for Resources and Development.
- (h) Funding under this grant shall not be used by Kosrae State for Capital Development.
- (i) As a condition precedent to the drawdown of funding for this specific activity, Kosrae State shall provide written materials to justify the request for \$152,000 for the funding of Livestock Research/Tissue Culture.

- (j) As a condition precedent to the drawdown of funding for this specific activity, Kosrae State shall provide written materials to justify the request for \$205,000 for the funding of Mangrove Crab Project.
- (k) Within six months, the FSM will develop a transition plan to migrate basic operations funding from compact sector grants to local revenues. This plan will provide for this migration to happen over a period not to exceed five years and in amounts no less than 20 percent of the totals in each year, unless otherwise mutually agreed. The following amounts will be included in the transition plan:

\$ 918,242	Chuuk State
240,132	Kosrae State
335,781	Pohnpei State
<u>319,136</u>	Yap State
Total Transition Amount	\$1,813,291