

United States of America and the Federated States of Micronesia

**Resolutions Adopted By
The Joint Economic Management Committee
(JEMCO)**

March 24, 2006
50 United Nations Plaza
San Francisco, California

Resolution #1

JEMCO resolves that \$12,059,401 be allocated to the FY 2006 FSM SEG, and further resolves that no SEG funds will be released until the FY 2006 FSM SEG plan receives OIA concurrence.

Explanatory Note: Rather than waiting until August, this action by JEMCO allocates the amount available to the FSM to expedite OIA's processing of the SEG award.

Resolution #2

JEMCO resolves to amend the resolution adopted August 11, 2004 regarding rules for conducting meetings of the JEMCO, as follows: *Section 7.2 The FSM and USG may publish the text of approved Committee resolutions. The Committee will consider issuing public statements or press releases regarding resolutions taken during its formal meetings. On a case-by-case basis the Committee will consider the release of other committee documents and recordings.*

Explanatory Note: This resolution was first introduced at JEMCO's August 2005 meeting in Pohnpei. FSM members had no objections but asked for more time to consider the measure.

Resolution #3

JEMCO resolves to adopt the recommendations proposed by the Office of Insular Affairs with regard to Single Audits, Private Sector Development and Environment Sector grants, and the Public Sector Capacity Building Sector grants, as contained in the agenda document (attached) for the March 24, 2006, Meeting of the Joint Economic Management Committee.

Explanatory Note: At JEMCO's March 24, 2006 meeting in San Francisco, the Office of Insular Affairs discussed its intention to apply a range of remedies for chronic non-compliance and new grant conditions

to address under-performing activities and unmet capacity building needs. The effective date would be October 1, 2006.

Resolution #4

JEMCO resolves that it hereby delegates to OIA the authority to approve uses of FY 05 carry over fund balances within the applicable sectors and that OIA may apply special grant conditions as appropriate after prior consultation with the Office of Compact Management. JEMCO further resolves to adopt the recommendation proposed by the Office of Insular Affairs, that the use of carry over funds not be allowed for recurring operating costs except on a case by case basis as mutually agreed between the Office of Insular Affairs and the Office of Compact Management.

Explanatory Note: JEMCO delegated the authority to OIA to approve carry over uses in order to expedite the grant award process. The disallowance of recurring costs except on a case by case basis, ensures that projects and activities using carry over monies are sustainable in the subsequent fiscal year(s).