



# OFFICE OF INSULAR AFFAIRS

## Mission

The Office of Insular Affairs (OIA) coordinates Federal policy for the U.S. territories and fulfills the Compacts of Free Association (COFA) obligations to the Freely Associated States (FAS).

## Budget Overview

The 2023 budget includes \$125.7 million in current appropriations. OIA estimates the budget will support staffing equal to 36 full-time equivalents (FTEs) in 2023.

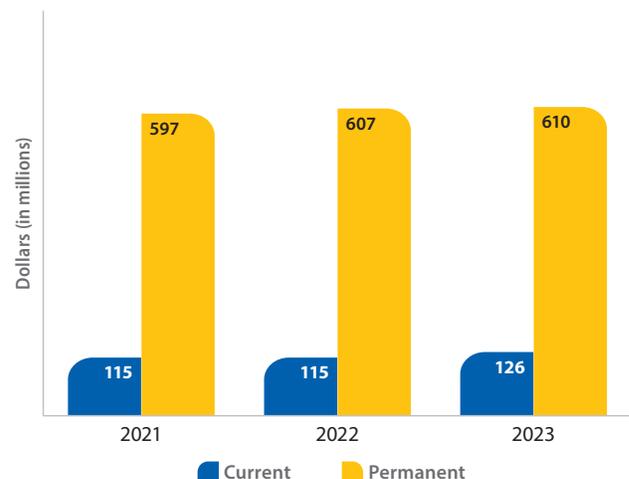
The 2023 budget supports climate resilience and conservation through programs that provide targeted assistance to the Insular Areas, places disproportionately affected by the impacts of climate change. In 2023, the Technical Assistance, Brown Tree Snake Control, and Coral Reef Initiative and Natural Resources programs will provide funding for these underserved areas to address the effects of climate change on their communities and protect the native ecosystems from further damage.

The 2023 budget supports the Administration's priority to increase clean energy and energy efficiency with a requested \$15.5 million in the Energizing Insular Communities program to develop renewable energy and grid infrastructure in the Insular Areas. Funding will help the islands reduce their dependence on energy imports to support energy independence and increase energy conservation and efficiency through reliable and affordable energy strategies.

## Program Overview

The Assistant Secretary—Insular and International Affairs and OIA carry out the Secretary's

## OIA Funding



responsibilities for the U.S. territories of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands. OIA administers and oversees Federal assistance under COFA to the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), and the Republic of Palau.

The insular economies are small, isolated, and dependent on one or two main sources of income. In most areas, Federal programs and grants represent a major contribution to the economy. OIA strengthens insular economies through strategic investments in infrastructure, public services, and technical assistance, which attracts private-sector investment.

In 2021, OIA managed approximately \$1.7 billion in Trust Funds for FSM and RMI and supported



- Executive Order 6726 (May 29, 1934) established in the Department of the Interior (DOI) the Division of Territories and Island Possessions, which was renamed the Office of Insular Affairs (OIA) on August 4, 1995.
- The Secretary of the Interior is responsible for coordinating Federal policy with respect to the territories and administering and overseeing U.S. Federal assistance provided to the Freely Associated States.
- The responsibilities for the Insular Areas are executed through the Assistant Secretary—Insular and International Affairs and OIA.
- The U.S. territories under the responsibility of OIA include American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands.
- The Freely Associated States are the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.
- OIA manages more than \$700 million a year in financial assistance and payments to the Insular Areas.

a \$5.0 million tax and trade payment to the RMI. OIA also provided \$732.4 million in grant funding and fiscal payments to the Insular Areas, including \$80.1 million in health-related funding and \$92.9 million in education-related funding.

The 2023 budget request achieves the Department’s mission of Fulfilling Our Trust and Insular Responsibilities through balanced efforts to strengthen economic and health capacities in the territories; fulfill COFA obligations; and address climate resilience, conservation, and clean energy deployment.

**Assistance to Territories**

The 2023 budget includes \$117.3 million for the main account, Assistance to Territories. Within this account, the budget contains \$64.9 million for Territorial Assistance programs, which consists of \$10.2 million for OIA operations, including financial oversight efforts; \$21.8 million for Technical Assistance; \$4.4 million for Maintenance Assistance; \$3.5 million for Coral Reef Initiative and Natural

Resources activities; \$15.5 million for Energizing Insular Communities; \$3.5 million for Brown Tree Snake Control; and \$6.0 million for discretionary Compact Impact assistance. The budget includes \$24.6 million for American Samoa Operations support, and the request for current mandatory Capital Improvement Project grant funding is \$27.7 million.

**Compact of Free Association**

The 2023 budget maintains the 2021 enacted level of \$8.5 million for the COFA account. This total includes \$7.8 million for Federal Services, including \$5.0 million for Marshall Islands Tax and Trade Compensation and \$650,000 for Enewetak.



American Samoa Shipyard Authority 3000-ton slipway, which can now haul up to two boats. The last time this was possible was roughly 6 years ago.

OIA Photo.



The new Colonia Wellness Center, which was completed in November 2021 and was jointly funded by OIA Compact Funds and the Government of Japan, in FSM. OIA Photo.



A robotics competition called RoboDay hosted in Pohnpei, FSM, by the Habel Fund and Olmchs Pohnpei, an OIA grant recipient. OIA Photo.



The Weaving Connections program in FSM is funded by the OIA Technical Assistance Program and supports the preservation of traditional weaving skills. OIA Photo.

Most of OIA’s annual budget consists of mandatory funding, including an estimated \$230.4 million in 2023 to fulfill U.S. obligations under the COFA. Financial assistance under the COFA is scheduled to end after 2023 for the FSM and the RMI and in 2024 for Palau.

The Administration supports funding the renewal of our COFA relationships with the FSM, the RMI, and Palau. The Administration will request

necessary mandatory funding to be appropriated to the Department of State, with language calling for continued implementation by the Department of the Interior. The United States remains committed to its long-standing partnerships with the governments and the people of the FAS as we work together to promote a free and open Indo-Pacific.

**Fixed Costs**

Fixed costs of \$380,000 are fully funded.

## **SUMMARY OF BUREAU APPROPRIATIONS**

(dollar amounts in thousands)

### **Comparison of 2023 Request with 2022 CR**

	2022 CR		2023 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>Current</b>						
Assistance to Territories .....	36	106,693	36	117,257	0	+10,564
Compact of Free Association .....	0	8,463	0	8,463	0	0
Subtotal, Current .....	36	115,156	36	125,720	0	+10,564
<b>Permanent</b>						
Compact of Free Association .....	0	227,294	0	230,414	0	+3,120
Payments to the United States Territories, Fiscal Assistance .....	0	380,000	0	380,000	0	0
Subtotal, Permanent .....	0	607,294	0	610,414	0	+3,120
<b>TOTAL, OFFICE OF INSULAR AFFAIRS .....</b>	<b>36</b>	<b>722,450</b>	<b>36</b>	<b>736,134</b>	<b>0</b>	<b>13,684</b>

## **HIGHLIGHTS OF BUDGET CHANGES**

By Appropriation Activity/Subactivity

### **APPROPRIATION: Assistance to Territories**

	2021 Actual	2022 CR	2023 Request	Change
American Samoa Operations .....	24,620	24,620	24,620	0
Capital Improvement Project Grants .....	27,720	27,720	27,720	0
<b>Territorial Assistance</b>				
Office of Insular Affairs .....	9,553	9,553	10,217	+664
Technical Assistance .....	21,800	21,800	21,800	0
Maintenance Assistance Fund .....	4,375	4,375	4,375	0
Brown Tree Snake Control .....	3,500	3,500	3,500	0
Coral Reef Initiative & Natural Resources .....	2,625	2,625	3,525	+900
Energizing Insular Communities .....	8,500	8,500	15,500	+7,000
Compact Impact—Discretionary .....	4,000	4,000	6,000	+2,000
Subtotal, Territorial Assistance .....	54,353	54,353	64,917	+10,564
<b>TOTAL APPROPRIATION .....</b>	<b>106,693</b>	<b>106,693</b>	<b>117,257</b>	<b>+10,564</b>

### **APPROPRIATION: Compact of Free Association**

	2021 Actual	2022 CR	2023 Request	Change
Federal Services .....	7,813	7,813	7,813	0
Enewetak .....	650	650	650	0
<b>TOTAL APPROPRIATION .....</b>	<b>8,463</b>	<b>8,463</b>	<b>8,463</b>	<b>0</b>