

Compact Trust Funds

FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS

Under Section 215 and Section 216 of the Compacts with the Federated States of Micronesia and the Republic of the Marshall Islands, as amended, the Government of the United States of America and the Governments of the Federated States of Micronesia and the Marshall Islands recognizing their mutual intention to discontinue annual grant assistance beyond fiscal year 2023, and desiring to contribute to the long-term budgetary self-reliance of the Federated States of Micronesia and the Marshall Islands, established a Trust Fund for the People of the Federated States of Micronesia and a Trust Fund for the People of the Marshall Islands, to provide the respective governments with an ongoing source of revenue after fiscal year 2023. The Trust Funds are governed by the Trust Fund Agreement, a subsidiary agreement of the Amended Compact, as negotiated between the respective governments. As stated in the Trust Fund Agreement with both the FSM and the RMI Trust Funds, the purpose of their respective Funds are to “contribute to the economic development and long-term budgetary self-reliance of [each] by providing an annual source of revenue, after Fiscal Year 2023, for assistance in certain sectors with priorities in education and health care. The Trust Funds are financial instruments based on market performance and not assured amounts as a multi-year fixed grant program.

Annual Reports and Audits – Trust Fund for the People of the Federated States of Micronesia (link to: <https://www.doi.gov/oia/press/trustfund/FSMTrustFunds>)

Annual Reports and Audits – Trust Fund for the People of the Republic of the Marshall Islands (link to: <https://www.doi.gov/oia/press/trustfund/RMITrustFunds>)

REPUBLIC OF PALAU

The Palau Trust Fund was capitalized by the U.S. with a payment of \$66,000,000 in FY 1995 and another payment of \$4,000,000 in 1997. This fund, managed by the Palau Government, was designed to be a sinking fund to last until 2045.