



United States Department of the Interior

OFFICE OF THE SECRETARY
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Office of the President

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Alternate Member, JEMFAC
United States Government
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Member, JEMFAC
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Dear JEMFAC members:

Please find attached, copies of six resolutions passed unanimously on September 3, 2009 at the JEMFAC meeting held in Honolulu, Hawaii.

Sincerely,

Nikolao Pula
Chairman
Joint Economic Management and Financial
Accountability Committee

Attachment: JEMFAC Resolutions 2009 01-06

JOINT ECONOMIC MANAGEMENT AND FINANCIAL
ACCOUNTABILITY COMMITTEE (JEMFAC)

Annual Meeting
Honolulu, Hawaii
September 3, 2009

Final Resolutions

Sector Grant Allocations:

JEMFAC 2009-1	Sustainability of Sector Budgets
JEMFAC 2009-2	Operational and Capital Requirements Planning for RMI Utilities
JEMFAC 2009-3	Performance-Based Management
JEMFAC 2009-4	Compact Funding for the Majuro Hospital Redevelopment Project
JEMFAC 2009-5	Fiscal Year 2009 Special Grant Terms and Conditions
JEMFAC 2009-6	Fiscal Year 2009 Grant Funding Allocations

Resolution JEMFAC 2009-1

Sustainability of Sector Budgets

JEMFAC resolves that the RMI Government develop a plan for managing annual decreases in Compact direct assistance and/or general fund support, and use those plans as the basis for Fiscal Year 2012 budget decisions. The plan should include an evaluation of the ability of the health and education sectors to fulfill their strategic outcomes in fiscal years 2012-2014.

JEMFAC further resolves that the RMI submit its findings and plan through the Office of Insular Affairs to JEMFAC no later than August 1, 2010, and demonstrate it has used the findings and plan as part of its internal budget development process for Fiscal Year 2012.

Resolution JEMFAC 2009-2

Operational and Capital Requirements Planning for RMI Utilities

JEMFAC resolves that a concerted multilateral effort be undertaken in order to assist the Government of the Republic of the Marshall Islands in identifying potential funding opportunities to upgrade power generation and distribution capabilities in the RMI and to identify alternate energy opportunities.

JEMFAC further resolves that a review of existing management capacity and rate structures, and implementation of the results of such a review are necessary to ensure that opportunities for improvement of power generation and distribution capabilities are maximized.

Therefore, JEMFAC further resolves that the Office of Insular Affairs, shall organize a meeting, no later than March 31, 2010, of multilateral partners, including, but not limited to the Government of the RMI, the U.S. Department of the Interior, the U.S. Agency for International Development, the Pacific Power Association, the Asian Development Bank, and Rural Utilities Services, to:

- Review power generation and distribution capacity within the RMI ;
- Identify funding resources for power generation and distribution capacity;
- Identify alternate energy opportunities;
- Review current utility pricing structures and identify rate structures required to operate on sound commercial principles; and
- Identify opportunities for improving management capacity.

Resolution JEMFAC 2009-3

Performance-Based Management

JEMFAC resolves that the Government of the RMI should refocus the performance budgeting effort on the three Compact-funded entities for Fiscal Years 2010 and 2011, to: (1) resolve performance budgeting and measurement issues fully and (2) ensure that the Ministries demonstrate improvements in handling budgets, data, and strengthening the link between both.

Resolution JEMFAC 2009-4

Majuro Hospital Redevelopment Project

JEMFAC resolves that it is prepared, in principle, to consider a multi-year commitment of Compact Public Sector Infrastructure Sector funding to support the RMI's efforts to obtain financing necessary for the construction of the Majuro Hospital Redevelopment Project.

JEMFAC further resolves that the RMI will submit a full project description and proposed financing terms to the JEMFAC for its consideration no later than September 30, 2010.

Resolution JEMFAC 2009-5

Special Grant Terms and Conditions

JEMFAC resolves that the following special grant terms and conditions are to be added to

the Fiscal Year 2010 Sector Grants:

Education

That the Government of the Republic of the Marshall Islands, through its Ministry of Education, contract outside expertise to develop comprehensive technology plans, including standards for students, teachers and administrators and budget and training schedules to meet those standards. JEMFAC encourages the Office of Insular Affairs to seek unexpended Supplemental Education Grant monies from Fiscal Years 2005 and 2006 to fund the plans.

Health

That the Government of the Republic of the Marshall Islands, through its Ministry of Health, undertake a systematic program in Fiscal Year 2010 to diagnose health data problems and discrepancies in the production of statistics using technical assistance from the United Nations Family Planning Agency (UNFPA). The Ministry of Health report at the mid-term technical meeting of JEMFAC on: (1) progress made to complete the diagnostic activity; (2) interim recommendations; and (3) a tentative timetable and list of resources to implement solutions, including any necessary training of line and managerial staff. If the Office of Insular Affairs deems insufficient progress has been made, after appropriate consultations with the Ministry of Health, then JEMFAC may direct the Ministry of Health to undertake additional remedies at its August 2010 meeting.

Resolution JEMFAC 2009-6

Fiscal Year 2010 Grant Funding Allocations

JEMFAC resolves that the following amounts are approved for use of Fiscal Year 2010 Compact of Free Association grant funding, subject to the terms and conditions of Resolution JEMFAC 2009-5:

\$11,600,728	Education
\$ 7,159,858	Health
\$ 5,000,000	Public Sector Infrastructure (CMI)
\$ 413,380	Public Sector Capacity Building
\$ 3,451,055	Ebeye Special Needs (Section 211 b.1)
\$ 230,202	Kwajalein Environmental Impact (211b.3)
\$ 222,648	Disaster Assistance Emergency Fund
\$ 28,077,871	

JEMFAC further resolves that the major cost center breakdowns for the Compact funded portions for the Ministries of Health and Education, attached herewith, will be included in the sector grant awards.

Ministry of Education Fiscal Year 2010

Personnel Expenses	General	Compact	ESN	SEG	Federal Grants	Special Revenue	Total
Personnel-related expensed	1,803,064	7,560,862	739,999	1,784,127	1,287,382	-	13,175,434
Salaries & Wages-Expatriates	93,925	1,179,046	96,000	170,000	-	-	1,538,971
Salaries & Wages-Marshallese	1,507,055	5,194,377	472,343	1,444,594	1,165,052	-	9,783,421
Standby Differential	-	-	-	-	-	-	0
Night Differential	793	10,366	-	-	-	-	11,159
Personnel Benefits_Expat	9,862	123,800	10,080	17,850	-	-	161,592
Personnel Benefits Marshallese	158,245	545,407	64,422	151,683	122,330	-	1,042,087
Employee Insurance Expense	29,184	68,408	-	-	-	-	97,592
Ebeye Differential	-	88,227	97,154	-	-	-	185,381
Leased Housing Expenses	-	325,000	-	-	-	-	325,000
Recreation, Repatriation & home leave	-	-	-	-	-	-	0
Overtime	4,000	26,231	-	-	-	-	30,231
Operating Expenses	139,791	1,866,802	736,038	2,460,036	413,757	-	5,616,424
Allowances	9,000	27,500	-	-	-	-	36,500
Freight	-	39,300	5,000	5,000	10,000	-	59,300
Rentals	-	26,400	6,000	3,000	10,000	-	45,400
Office communications	-	111,550	30,000	27,595	10,000	-	179,145
Printing & Reproduction	-	6,000	-	2,500	2,000	-	10,500
Advertising	-	18,000	-	-	-	-	18,000
Office & Computer Supplies	3,000	33,173	5,001	-	-	-	41,174
Other Supplies/Material	23,677	338,318	45,536	318,727	17,720	-	743,978
Office Equipment & Computer	-	95,696	20,000	14,000	7,380	-	137,076
Ministerial Official Expense	-	-	-	-	-	-	0
Food Stuffs	3,000	91,000	5,000	412,175	-	-	511,175
Water	-	-	-	-	-	-	0
Contractual Services	17,095	70,678	431,001	936,202	219,900	-	1,674,876
Domestic Travel	15,000	91,000	29,184	5,000	39,600	-	179,784
International Travel	18,000	32,600	8,200	11,000	23,200	-	93,000
Training	6,000	39,000	27,500	554,711	25,000	-	652,211
Representation expenses	7,000	-	-	-	-	-	7,000
Subscription and Dues	-	-	-	-	-	-	0

	-	-	-	-	-	-	-
Utilities	12,822	612,744	116,616	134,400	-	-	876,582
Equipment & Tools Not Capitalized	-	-	7,000	5,000	-	-	12,000
Other Charges and Expenses	25,197	233,843	-	24,000	48,957	-	331,997
Federal Taxes	-	-	-	-	-	-	0
Accreditation	-	-	-	6,726	-	-	6,726
Transportation	-	-	-	-	-	-	0
Development and capital expenditures	20,000	282,690	84,001	396,500	61,000	-	844,191
Books & other Instructional materials	-	-	-	350,000	10,000	-	360,000
Equipment	15,000	42,000	35,001	20,000	25,000	-	137,001
Office Furniture & fixtures	-	2,000	-	5,000	10,000	-	17,000
Insurance	-	20,000	4,000	-	-	-	24,000
Petroleum, Oil and Lubricants	5,000	125,190	35,000	16,000	11,000	-	192,190
Repairs	-	93,500	10,000	5,500	5,000	-	114,000
Building Renovation & equip	-	-	-	-	-	-	0
Vehicle	-	-	-	-	-	-	0
Financing Outlay	2,185,606	1,890,374	200,000	1,255,004	20,000	282,544	5,833,528
Transfer Out	2,173,223	1,590,374	100,000	1,255,004	-	282,544	5,401,145
Grants	-	0	-	0	20,000	0	20,000
Subsidies and contributions	-	300,000	100,000	0	-	0	400,000
Audit Expenses	12,383	0	-	0	-	0	12,383
Total Fund	4,148,461	11,600,728	1,760,038	5,895,667	1,782,139	282,544	25,469,577

MOH Line Item Budget by Funding Type FY10								
Description	General Fund	Compact Funds	ESN	Federal Grants	Health Care Rev	Health Fund	SHCR	Total
Personnel-related expenses	2,450,558	5,368,267	421,251	1,139,371	21,668	312,909	0	9,714,024
Salaries & Wages-Expatriates	392,915	1,733,689	360,305	358,310				2,845,219
Salaries & Wages- Marshallese	1,639,180	2,170,930		681,390	17,168	241,837		4,750,505
Standby Differential	66,295	147,876	12,400					226,571
Night Differential	34,488	53,884			1,200			89,572
Personnel Benefits Expat	35,663	96,854	23,546	26,808				182,870
Personnel Benefits Marshallese	166,089	204,712		63,863	3,100	71,072		508,836
Employee Insurance	40,872	11,738						52,610
Ebeye Differential	66,057	69,174						135,231
Leased Housing	9,000	804,542		9,000				822,542
Recreation, Repatriation & home	0	30,000	25,000					55,000
Leave	0							0
Overtime	0				200			200
Incentive	0							0
Extra Hours	0	44,867						44,867
								0
Operating Expenses	434,695	1,331,794	1,116,368	1,694,883	3,430,832	2,141,451	475,000	10,625,023
Audit	4,821				13,927			18,748
Allowances	0			10,000		12,000		22,000
Freight	23,000			2,025	103,500			128,525
Rentals	33,600		5,000	30,665				69,265
Office Communications	15,000		34,000	40,546	40,000	10,400	7,000	146,946
Printing & Reproduction	7,000	3,000	3,000	21,562	6,000	10,000		50,562
Advertising	0	2,000				7,000		9,000
Office & Computer Supplies	0		15,000	52,454	3,000	6,690		77,144
Other Supplies/Materials	53,450	11,278	80,874	50,920		147,000	1,000	344,322
Office Equipment & Computer	10,069	5,000	26,000		3,000		1,000	45,069
Ministerial Official Expense	0							0
Medical Supplies	0		7,500	86,175	1,585,000			1,678,675
Pharmaceuticals	0	200,000	15,000		1,563,000			1,778,000

Food Stuffs	73,037	116,963	100,000	2,000	1,000			293,000
Water	13,000	6,000	84,000					103,000
Contractual Services & Medical	0		159,340	103,033	60,000	135,000		457,373
Referrals	0					1,660,131	450,000	2,110,131
Domestic Travel	35,000		33,054	302,844	8,000	3,750		382,648
International Travel	20,000		40,000	478,608	30,405	60,600		629,613
Training	56,023		50,000	69,313	12,000	8,000		195,336
Representation expenses	0							0
Subscription and Dues	34,000	1,000	2,000					37,000
Utilities	0	970,891	408,000	4,200		80,880	15,000	1,478,971
Equipment & Tool Not Capitalized	54,377		15,000					69,377
Other Charges & Expenses	2,318	15,662	10,000	440,538	2,000		1,000	471,518
Federal Taxes	0		28,800					28,800
Development and capital								0
Expenditures	174,598	459,797	153,398	333,198	4,500	16,640	25,000	1,167,131
Books & other Instructional	0							0
Materials	0							0
Equipments	0	7,000	26,398	295,030		4,000		332,428
Office Furniture & Fixtures	37,700		15,000					52,700
Insurance	2,500	2,000				400	10,000	14,900
Petroleum, Oil and Lubricants	48,332	25,797	50,000	38,168	4,000	3,120	7,000	176,417
Repair	86,066	100,000	35,000		500	9,120	8,000	238,686
Building Renovation & equip	0							0
Vehicle	0		27,000					27,000
Transfer Out		325,000						325,000
Total Fund	3,059,851	7,159,858	1,691,017	3,167,451	3,457,000	2,471,000	500,000	21,506,177