

STANDING COMMITTEE REPORT NO. 19-207

RE: C.R. NO. 19-288/R&D

SUBJECT: APPROVING THE ODA PRIORITY AREAS  
FOR THE NATIONAL GOVERNMENT

JANUARY 31, 2017

The Honorable Wesley Simina  
Speaker, Nineteenth Congress  
Federated States of Micronesia  
Sixth Regular Session, 2017

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was referred  
C.R. No. 19-288, entitled:

"A RESOLUTION APPROVING THE OVERSEAS DEVELOPMENT ASSISTANCE  
(ODA) NATIONWIDE PRIORITY AREAS OF THE FEDERATED STATES OF  
MICRONESIA.",

begs leave to report as follows:

The intent and purpose of the resolution are expressed in its title.

Congressional Resolution No. 19-288 was transmitted to Congress  
through Presidential Communication No. 19-436 on September 21, 2016.  
C.R. No. 19-288 contains the Overseas Development Assistance (ODA)  
nationwide priorities of the National Government. The nationwide  
priorities identified are: (1) Food and Water Security, (2) Human  
Resource Development for Health and Education, (3) Diagnostic  
Facility, (4) Enhancing Energy Security through the Promotion of a  
Green Economy for the FSM, (5) Supporting Entrepreneurs and Enterprise  
Development (SEED) Program, and (6) Infrastructure Development Plan  
(IDP) 2016-2025.

Your Committee on Resources and Development held a public hearing on  
C.R. No. 19-288 on Friday, January 27, 2017. Witnesses appeared at the  
hearing included representatives from the Division of Overseas  
Development under the Department of Finance and Administration,  
Secretary Lorin Robert and staff from the Department of Foreign

STANDING COMMITTEE REPORT NO. 19-207

RE: C.R. NO. 19-288/R&D

SUBJECT: APPROVING THE ODA PRIORITY AREAS  
FOR THE NATIONAL GOVERNMENT

JANUARY 31, 2017

Affairs, Secretary Marion Henry and staff from the Department of Resources and Development, Director Andrew Yatilman from the Office of Environment and Emergency Management, representatives from the Department of Justice, representatives from the Office of the President, representatives from the FSM Petro Corporation, and a representative from the Micronesian Registrar Advisors.

Chairman David W. Panuelo greeted everyone and gave the witnesses an opportunity to explain C.R. No. 19-288. Mr. Killion Doone explained that in the previously adopted ODA policy for the National Government, 12 priority areas should be identified so funding from overseas development assistance can be used to fund the implementation of these 12 priority areas. Each of the state governments need to identify two priority areas to be endorsed by their respective legislatures and the national government also needs to identify six priorities areas to be endorsed by the FSM Congress.

Mr. Killion Doone also explained that the Division of Overseas Development under the Department of Finance and Administration is currently formulating a donor mapping to identify all overseas development assistance anticipated by the National Government. Mr. Killion Doone also indicated that a data base is still under construction, which will account all the ODA funding and the priority area to be funded.

During the discussion of the priority areas identified in the C.R. No. 19-288, the Committee was informed that the list is not according to a priority listing. The different departments of the national government identified the priority areas. P.C. No. 19-436 summarizes the proposed budgets for the six priority areas including the specific explanatory notes of the implementation of the six priority areas.

At the hearing, your Committee inquired whether it is a requirement that the FSM Congress endorse the six priority areas or it can be declared by an executive order or a proclamation by the President. According to the witnesses, the language of the previously adopted ODA policy requires the FSM Congress's endorsement on the six priority areas identified. The witnesses indicated that the endorsement by the FSM Congress on this resolution will indicate that the national government retain ownership of the six priority areas. In addition, this endorsement is an assurance to our donor partners in their approval process of any application for unsolicited funding by the national government. Therefore, the adoption of this resolution by the FSM Congress is necessary.

STANDING COMMITTEE REPORT NO. 19-207

RE: C.R. NO. 19-288/R&D

SUBJECT: APPROVING THE ODA PRIORITY AREAS  
FOR THE NATIONAL GOVERNMENT

JANUARY 31, 2017

Your Committee questioned the rationale behind the priority area of "Human Resource for Health". Why only limited to Health only? Your Committee recommended that the development of human resources should be general to include other priority fields that FSM is currently lacking. In regards to the "Diagnostic Facility Center", the witness explained that this is a proposal from the Department of Health and Social Affairs. The attempt is to build a diagnostic facility center in one of the states in the FSM. The witnesses explained that all the FSM hospitals only have clinical laboratories to test limited number of diseases. There is no specialized laboratory for advanced type of diseases and off-island referral cases is about 70%. In a given year, FSM spends about \$5,000,000 on medical referral. The proposed center will improve the diagnostic infrastructure and capacity in the FSM in order to contribute to national development.

Your Committee commented that if the diagnostic facility center is located in Pohnpei State, what will happen to patients that are in, for instance, Yap State. Regardless of the diagnostic center, patients from Yap State will all referred to the Philippines. The witnesses explained that the six priority areas even though are fluid, the donor partners will regard specific area as a targeted goal. So it will be an incentive to identify to the donor partners a specific priority area, then move forward to other areas. For the time being, this policy is new, and we need our joint effort to make it work.

Your Committee on Resources and Development is, therefore, in accord with the intent and purpose of C.R. No. 19-288, and recommends its adoption in the form attached hereto.

STANDING COMMITTEE REPORT NO. 19-207

RE: C.R. NO. 19-288/R&D

SUBJECT: APPROVING THE ODA PRIORITY AREAS  
FOR THE NATIONAL GOVERNMENT

JANUARY 31, 2017

Respectfully submitted,

/s/ David W. Panuelo  
David W. Panuelo, chairman

Alik L. Alik, vice chairman

/s/ Victor V. Gouland  
Victor V. Gouland, member

/s/ Florencio S. Harper  
Florencio S. Harper, member

/s/ Berney Martin  
Berney Martin, member

/s/ Joseph J. Urusemal  
Joseph J. Urusemal, member

/s/ Robson U. Romolow  
Robson U. Romolow, member