

STANDING COMMITTEE REPORT NO. 19-114

RE: C.R. NO. 19-176/R&D

SUBJECT: A RESOLUTION ACCEPTING A GRANT IN THE AMOUNT  
OF \$4,689,815 FROM THE UNITED NATIONS  
DEVELOPMENT PROGRAMME

FEBRUARY 11, 2016

The Honorable Wesley W. Simina  
Speaker, Nineteenth Congress  
Federated States of Micronesia  
Third Regular Session, 2016

Dear Mr. Speaker:

Your Committee on Resources and Development to which was  
referred C.R. No. 19-176, entitled:

"A RESOLUTION APPROVING A GRANT IN THE AMOUNT OF  
\$4,689,815 FROM THE GLOBAL ENVIRONMENTAL FACILITY  
THROUGH THE ASSISTANCE OF THE UNITED NATIONS  
DEVELOPMENT PROGRAMME TO FUND THE RIDGE TO REEF  
PROJECT IN THE FEDERATED STATES OF MICRONESIA  
INCLUDING ALL THE TERMS AND CONDITIONS OF THE  
ASSISTANCE.",

begs leave to report as follows:

The intent and purpose of this resolution are expressed in  
it title.

Your Committee held a hearing on February 10, 2016, the  
witnesses present included the Secretary of the Department  
of Resources and Development and his key staff, the  
Secretary of Finance and Administration, and  
representatives from the Office of the President and the  
Department of Justice.

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The Committee was impressed with the extensive budget and planning document submitted with the proposed resolution on this matter in Presidential Communication No. 19-248 dated January 25, 2016. As this transmission is over 100 pages, and your Committee decided rather than making additional copies, to recommend interested Members to review the original at the Speaker's Office.

After the Chairman and the Departments exchanged welcoming remarks the Secretary of the Department of Resources and Development confirmed that this grant is part of a larger "ridge to reef" initiative which attempts to regulate and improve all aspects, including water, pollution and farming from the highest point on our islands to the lowest, which impacts the health of reef and water systems.

In response to a request for a summary of the budget and a list of implementing agencies the Department of R&D stated that \$1 million will be given to each of the states, and the remaining will sit at the National level to be used to support the states and for administrative costs. Each of the states has done an initial planning meeting with the Department of R&D. During these consultations the general priorities were set for each of the four states. The Department stated that with the receipt of this award a second meeting will be held with all the stakeholders and at that time the states will finalize their programs for this round of the GEF grant.

In response to questions regarding the types of projects proposed generally, the Secretary of R&D advised the Committee that there will be two focus areas this year. One will be the promotion of biodiversity, which will have several positive affects, including food security and sustainability and the decrease in climate change impact. The second focus will be work to slow or stop all together the degradation of our soil and improve our water quality. The Department stated that it opted not to focus on climate change as a primary area of concern, but that the two

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chosen areas of focus both positively work to slow climate change and to add to the Nation's capability to adapt to unavoidable climate changes. Further comments from the Department were that as a small developing country our priorities regarding climate change were to adapt to climate change by building sea walls and related actions, and to mitigate the effects of climate change by planting and nursing mangroves, as examples.

As the hearing progressed the Department stated that as a part of the GEF awards approximately \$1.6 million had been allocated in the four states for the Micronesian Small Grants Program. This Program gives very small grants for NGOs and community based programs that will work on these same "ridge to reef" environmental issues. While the Committee appreciates the importance of this small grants program it questioned how this earlier funding was allotted, spent and the initial programs concluded without Congress approval. The representative from the Department of Justice stated they will work with the Departments of R & D, and Finance and Administration to ensure only funding that has gone through the proper approval process is disbursed in the future.

Concerns were raised by members of your Committee regarding prioritizing of the main islands as a part of the GEF funded programs. The Department of R & D stated that while currently work is being done only on the four main islands they will be expanding to do work in future years on the outer islands. The Department highlighted that the current work is concentrated on land use management and protected area management. The states have identified 13 new areas for protection. This will make a total of 40 protected areas in the Nation. Your Committee raised some concern that creating new areas and passing new laws does not equal enforcement and protection for these special places. The Department agreed, but stated that the emphasis of the funding under GEF was to fund new projects and areas rather than providing support for those already existing. On a more positive note work with GIS mapping is going ahead.

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There is currently a network with work being done at both the National Government and COM-FSM. It is hoped that a central office can be opened and there is funding for staff.

In closing the Department of R & D requested your Committee make consideration of this grant a priority as development and planning for the programs has already faced several delays. The Committee stated that it was favorably inclined regarding this grant, but requested the Department provide periodic updates and a final list of projects and activities.

Your Committee on Resources and Development is in accord with the intent and purpose of C.R. No. 19-176, and recommends its adoption, in the form attached hereto.

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Respectfully submitted,

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

/s/ Alik L. Alik  
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