

STANDING COMMITTEE REPORT NO. 20-43

RE: C.R. No. 20-68/W&M

SUBJECT: APPROVING AND ACCEPTING A GRANT IN THE AMOUNT
OF \$5,500,000 FROM WORLD BANK

DECEMBER 11, 2017

The Honorable Wesley W. Simina
Speaker, Twentieth Congress
Federated States of Micronesia
Third Special Session, 2017

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred
Congressional Resolution No. 20-68, entitled:

"A RESOLUTION APPROVING AND ACCEPTING A GRANT IN THE
AMOUNT OF \$5,500,000 FROM THE WORLD BANK IN CONNECTION
WITH THE PREPARATION OF PROPOSED WORLD BANK FINANCED
PROJECTS, INCLUDING THE TERMS AND CONDITION OF THE
ASSISTANCE.",

begs leave to report as follows:

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

Your Committee held a meeting with representatives from the
Department of Finance and Administration and the Department
of Justice on Friday, December 8, 2017, at 8:30 a.m. to
discuss this resolution. At this meeting, the Secretary of
Finance and Administration, along with her key staff,
provided your Committee with an overview of the purpose of
the resolution.

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Your Committee heard testimony from the Department of Finance and Administration that the grant funding in this resolution would support the preparation efforts for the World Bank IDA18 projects in the Federated States of Micronesia. These projects are planned to target multiple development areas within the FSM, including Energy, Information and Communications Technology (ICT), Maritime and Fisheries, and Financial Management Information Systems.

Your Committee asked the Department of Finance whether the FSM National Government had the "capacity" to meet the project requirements for this grant funding. Your Committee was assured that the National Government did have this capacity. Your Committee asked about whether the World Bank projects proposed under this grant funding would require large numbers of foreign consultants. Your Committee was told that this grant package would emphasize "capacity-building" within the FSM rather than the hiring of temporary foreign workers.

Your Committee asked the representative from the Department of Justice to voice his opinion on the legal sufficiency of the resolution. The Department of Justice reported that the resolution, as drafted, had full legal sufficiency. The Department of Justice confirmed that, while the resolution did commit the FSM National Government to certain legal obligations, the resolution itself was not legally problematic or exceptional.

After the 8:30 a.m. meeting that took place on December 8th, your Committee held a separate internal Committee Meeting to discuss the merits of this resolution. Your Committee evaluated the information presented at the earlier meeting and reviewed supporting documentation provided by the Department of Finance and

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Administration. Your Committee concluded that the adoption of this resolution would be in the best interests of the National Government.

CONCLUSION

Your Committee on Ways & Means is in accord with the intent and purpose of C.R. No. 20-68 and recommends its adoption in the form attached hereto.

Respectfully submitted,

/s/ Isaac V. Figir
Isaac V. Figir, chairman

David W. Panuelo, member

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

/s/ Ferny S. Perman
Ferny S. Perman, member

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

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

/s/ Paliknoa K. Welly
Paliknoa K. Welly, member