

## FY 2010 Budget Proposal to Congress

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Total revenues projected for FY 2010 are approximately \$39,739,723 and include domestic sources, Compact Sector Grants, and money from Supplemental Education Grants (SEG). This projected revenue does not include potential funds from other US Federal grantor agencies, foreign governments and other international and regional organizations. Compared to FY 2009, total receipts from domestic and compact sources will increase by 1.3%, primarily coming from domestic revenues.

Total operating expenses for the three branches of the National Government, the Public Auditor's Office, and all agencies of the FSM government is \$22,136,043, of which \$15,219,405 or 68% is for the Executive Branch, \$3,049,223 or 13.8% is for the Legislative Branch, \$1,190,894 or 5.4% is for the Judiciary, \$976,087 or 4.4% is for the Pub-

lic Auditor's Office, \$1,460,724 or 6.5% is for Boards and Commissions, and \$239,710 or 1% is for all others. This represents a slight increase in total operating expenses of 0.2% for the Executive Branch, a decrease of 1.8% for the Legislative Branch, and a decrease of 1.5% for the Judiciary. Although the Executive Branch kept their operating expenses at FY 2009 levels and decreased travel by 10% or \$234,658, contractual services increased by \$178,178 because of an increase in lease and space rentals for FSM overseas embassy missions as well as the consulate offices and needed consultant services in the Executive Branch.

In terms of Human Resource Development and Capital Investment, the total expenditure for FY 2010 is proposed at \$12,822,983, or an increase of 84% or \$5,818,678 from FY 2009. The increase is primarily attributed to

the dry-docking of the MS Caroline Voyager, repairing and improvement of the FSM capitol complex, implementation of Year 2010 Census, investing in the FSM Development Bank and FSM Visitor's Bureau to spur greater productivity growth in the private sector, plus other programs. President Mori wrote that "this investment is crucial to laying a strong foundation for long-term economic growth as well as putting our people quickly to work and contribute to the development of our economy."

Together, the total expenditures proposed for FY 2010 is \$39,739,723, which is an increase of \$6,397,828 or 19.1% over FY 09. Based on the total revenue projected and the proposed total expenditures of the government, the National Government will have a balanced budget with no surplus. Now that the budget has been submitted to Congress, it will be reviewed, undergo possible revisions, and hopefully be approved during the May session of the 16<sup>th</sup> FSM Congress. \*

## Brings back the National Union....

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we have really done something special," Mr. Blank noted. "We are encouraging anyone who has access to the internet to visit our website and to sign up for our daily news distribution list. It's as simple as sending an email to [fsmpioweb@mail.fm](mailto:fsmpioweb@mail.fm) and asking to be put on the list. Once you do that, you will begin receiving daily news releases from the PIO that will keep you informed of what's going on in the FSM Government. "We still have a long way to go to capture all the activities worthy of being reported, but we have come a long way in just a few months, and bringing the National Union back is a big step in increasing our readership." Mr.

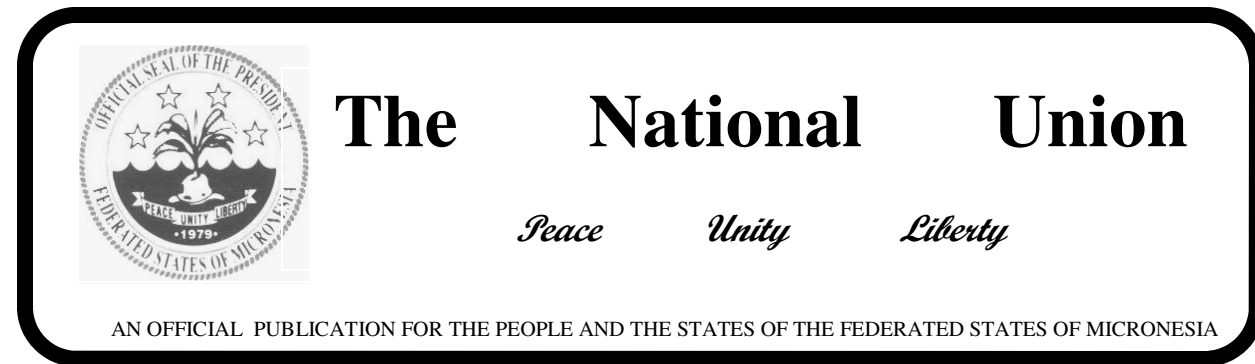
Blank stated. Those who remember the National Union from before will appreciate the nostalgia of the publication. At one time, before the internet was available in FSM and there was no Kaselehlie Press, the National Union was the only source of information on the goings-on in the FSM. "With its revival, we are also going to be renaming the newsletter. Anyone with a suggestion for a new name should email it to [fsmpioweb@mail.fm](mailto:fsmpioweb@mail.fm). In July, we will post the submissions on our website and encourage people to vote for the new name. Until then, we hope you enjoy seeing the National Union back in print."

## 5th Islands Business Opportunity Conference continues....

and Advocacy Program, and encourage citizens' access to government through the Office of the President's website ([www.fsmpio.fm](http://www.fsmpio.fm)).

President Mori's delegation in Honolulu includes the Governor of Kosrae, Lt. Governor of Pohnpei, Secretary of Resources & Development, the Secretary of Transportation, Communication and Infrastructure, the Secretary of Justice, the Director of the Office of SBOC, the FSM Ambassador to the US and supporting staff.

For more information, please contact the Department of Resources and Development at telephone number (691) 320-5133 or email ([marionh@mail.fm](mailto:marionh@mail.fm)). \*



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Number 1

## FSM Public Information Office Brings Back the National Union

On May 8<sup>th</sup>, 2009 a familiar newsletter that has been absent for many years will return to the public hands containing news from the National Government. *The National Union*, a biweekly publication highlighting the top news

stories that come out of the FSM Public Information Office will go back to print. Special Assistant to the President and Public Information Officer, Mr. Patrick Blank has revived the National Union "to inform those citizens of the

FSM that do not have access to the internet to view our press releases." Currently, FSM PIO sends out daily news via an email distribution list and by posting news articles to their website at

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## President Mori Delivers Statement at 5<sup>th</sup> Island Business Opportunities Conference



President Mori Address Businessmen In Hawaii

Honolulu, Hawaii – On April 6, 2009, His Excellency Emanuel Mori, President of the Federated States of Micronesia, delivered a statement during the opening ceremony of the "Conference on Business Opportunities in the Islands" to an audience of business and government leaders from the United States, territories and Freely Associated States.

The meeting is the fifth conference in a series, convened every two-years by the US Department of Interior to introduce participants to specific opportunities and incentives that exist in each jurisdiction in the US-affiliated Pacific Island States and Territories.

"My main message to you here is that the Federated States of Micronesia desires to attract foreign investment," said President Mori in his opening remarks during the conference. "We want those investments in development areas that will be mutually beneficial and sustain-

able in the long-term." President Mori also met with leaders of the FSM community in Hawaii to provide an update of his plan to decentralize the processing of passports, inform them of his administration's Citizens Outreach

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## President Mori Submits FY 2010 Budget Proposal to Congress

Last week, President Mori transmitted the proposed FY 2010 budget for the FSM National Government to Speaker Figir and the 15<sup>th</sup> FSM Congress. By law, every year on April 1<sup>st</sup>, the budget must be submitted. The proposed budget contains operational, resource, and investment funding requirements of each department, office, agency, and program of the FSM National Government and matches them against anticipated revenues.

In his transmittal letter, President Mori stated that "the FY 2010 budget proposal is formulated at a time of greatest challenge and uncertainty for our Nation. Today, we are in the midst of a recession and face an economic downturn of historic proportions.

Real GDP per capita has steadily declined from fiscal year 2005 onward, from \$1,934 in 2005 to less than \$1,832 in 2007 and an expected drop again in 2008 and 2009." The President said that this budget proposal is distinguished from previous budgets in that it provides a "blueprint for the Government to deal with the current economic and financial crisis and pave the way for a brighter future." The approach consists of spending cuts and savings, appropriate use of one-time resources to prevent the collapse of the Social Security and MiCare programs and the dedicated use of new, recurring revenues, in the investment in human resource and infrastructure development, and in capital for-

mation through private sector development.

The FY 2010 Budget is formulated on the administration policy that core operating expenditures of the National Government remain at the current FY 2009 level and to apply a 10% budget reduction on travel and non-essential expenditures. When the original budget submissions were submitted by all Executive agencies, the total was over \$46 million. Through the budget review process of the Executive Budget Review Committee, the proposed budget was cut to \$39 million in order to balance it with the projected revenues.

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## FSM President Mori meets with Citizens Advisory Committee in Honolulu

(Honolulu, HAWAII - April 4, 2009) – His Excellency President Emanuel Mori and his delegation to the DOI sponsored conference on Business Opportunities in the Islands, met with the FSM Community Advisory Committee (FSMCAC) and other citizens at the FSM Hawaii Consulate.

In President Mori's opening statement, he emphasized two issues that his administration is working on to improve the services provided to the citizens by FSM's overseas missions. The first is the plan to decentralize the processing of FSM passports. He noted that in order to improve passport processing, the FSM Consulate offices in both Guam and Honolulu will have to install the necessary computer system which will ensure safe and secure processing of passports. This is part of Phase 1 of the plan. In

addition, Chief of Immigration Mr. Mohner Esiel did a presentation on how to have this plan implemented.

The second issue is the administration's effort to implement the Citizens Outreach and Advocacy Programs through the FSM's overseas missions. The President emphasized the need to promote and deepen friendship and cooperation between FSM citizens living abroad and the communities where the citizens are residing.

He noted that there has recently been an appropriation of \$10,000 specifically for the FSM Citizens Outreach Program in the State of Hawaii. The FSMCAC is currently working with the FSM Hawaii Consulate on identifying types of efficient and effective outreach programs suitable for each island in the State of Hawaii.

In addition to the Outreach and Advocacy program, the President noted that the Outstanding Citizens Awards should be continued and also considered as an Outreach and Advocacy program.

He challenged the Committee to sponsor a FSM Cultural Day in Hawaii to showcase activities promoting the beauty of FSM's culture and heritage.

The President concluded this meeting by reminding the citizens to utilize the President's website at [www.fsmpio.fm](http://www.fsmpio.fm) and access all pertinent information regarding activities currently undertaken by his administration and submit any concerns that the citizens would like to share

the President, the Vice President or any member of the cabinet. The President reiterated his commitment for a transparent and participatory government. \*

## Pacific Adaptation to Climate Change Program Underway

**16 APRIL 2009 APIA (Pacnews) ---** After several years of planning and preparation, a US \$13.1million climate change adaptation project is now underway in the Pacific region.

The Pacific Adaptation to Climate Change (PACC) project is funded by the Global Environment Facility (GEF) with the United Nations Development Programme (UNDP) as its implementing agency and the Secretariat of the Pacific Regional Environment Programme (SPREP) as implementing partner. The project is scheduled to be conducted from 2008 to 2012.

PACC will cover 13 Pacific islands countries and help develop three key areas that will build resilience to climate change in Pacific countries: food production and food security, coastal management and water resource management. Adaptation projects will be implemented nationally, and were selected after an intensive consultative process with the implementing agencies.

Under the project, Fiji, Papua New Guinea and the Solomon Islands will focus on food production and food security. Cook Islands, Federated States of Micronesia, Samoa and Vanuatu are developing Coastal Management capacity and Nauru, Niue, Tonga and Tuvalu

are looking at strengthening their water resource management. "The Pacific countries have continued to indicate at the regional and international forums, the problems they are already facing from climate change, like salination of underground water, inundation of low lying areas and coastal erosion," said Taito Nakalevu of SPREP, who began his new role as the PACC Project Manager on 6 April.

"These are already impacting on the livelihoods of our Pacific people and the very resources they actually depend on. This project is part of the answer to help assist them in addressing this problem," Mr. Nakalevu added.

An inception workshop for the region wide project will be staged in June to build the capacity for countries to be able to fulfil the administrative requirements of the Project and to introduce other technical backstopping support.

Mr. Nakalevu is currently working with countries bilaterally to help establish project management units that will coordinate PACC on the ground in the Pacific.

"Climate change is an important issue, it just won't go away. We have to adapt, we don't have any other option." \*

## Brings back the National Union....

fsmpio.fm and to the MicSem Forum, which allows for discussion of the topics. "Although we are reaching a lot of people through our current methods of distribution, we are not reaching a majority of the general public who don't have a computer," Mr. Blank noted. The PIO plan is to disseminate 1000 copies of the National Union newsletter to the four FSM States; 400 copies to Chuuk, 300 to Pohnpei, 200 to Yap and 100 to Kosrae, to begin with.

Since they are working on a budget that was not created with the National Union in mind for funding, they have been able to fund the printing and mail-

ing of the newsletter through the savings the PIO has realized by streamlining its internet usage. "We are saving \$400-500 a month on our new internet set up and this has allowed us to find money to pay for the newsletter in our current budget. President Mori's goals of increasing efficiency and cutting costs have motivated us to be more creative in using our resources, and getting information out to the public is our number one initiative. If we can increase the number of people getting our news, without increasing our expenditures, then

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## Coastal Erosion Assessment in FSM

Side by side, the Institute of Pacific Islands Forestry, in conjunction with University of Hawaii, US geological Survey and the FSM National Government, Office of the Environment and Emergency, are working together to assess the threats to coastal ecosystem services in the face of global climate change here in the FSM.

Dr. Chip Fletcher and Dr. Bruce Richmond will be visiting the FSM from April 19<sup>th</sup> to May 8<sup>th</sup>, 2009 to assess the extent and consequences of coastal erosion in each state. They will meet with Government officials to initiate development of a comprehensive coastal protection strategy and work to improve the understanding of the effects of coastal erosion, and it's acceleration as a result of sea level rise, on the ability to provide for ecosystem services and support the existing populations.

The schedule of state visits are slated as: April 19<sup>th</sup> to 21<sup>st</sup>, visit to Kosrae State, April 21<sup>st</sup> to April 25, visit to Pohnpei State, April 25<sup>th</sup> to April 30<sup>th</sup>, visit to Chuuk State and April 30<sup>th</sup> to May 8<sup>th</sup>, visit to Yap State.

Environment and technical staff from relevant agencies in each state will be working with our visitors to coordinate the assessment arrangements and other needs they might have that are vital for a successful visit. \*



Ambassador of France H.E. Thierry Borja de Mozota presents his credential to President Mro on April 14, 2009 as Ambassador of China to the FSM H.E. Liu Fei and President's Cabinets witness

## HEALTH ALERT – “SWINE INFLUENZA”

**\*PLEASE SHARE THIS INFORMATION WITH YOUR FRIENDS AND FAMILY  
(and print out a copy to share with others as well)**

**WHAT IS HAPPENING?** Multiple countries such as the United States, Mexico, and Canada have reported outbreaks of a new influenza (“the flu”) virus, called Swine Influenza (A/H1N1). The infection may soon spread to other countries. Despite the name (“Swine Influenza”), this is a disease that is spread from person to person, like the regular flu.

### WHAT ARE THE SYMPTOMS?

The infection causes a flu-like severe respiratory disease, with fever and cough, and may lead to difficulty breathing and even death. Other symptoms may include sneezing, body aches, abdominal pain, nausea, vomiting, and tiredness.

### HOW IS THE DISEASE SPREAD?

The infection is spread from person to person through touching, coughing, sneezing or talking while you are sick.

### HOW CAN THE DISEASE BE TREATED?

There are medicines that can help fight this infection, but they only work if given quickly and are only available from a doctor, so you must seek care RIGHT AWAY.

### IS THERE A VACCINE FOR THIS DISEASE?

Not yet. Authorities are working to develop a vaccine as quickly as possible.

### WHAT YOU CAN DO TO PROTECT YOURSELF AND OTHERS:

- Wash your hands frequently with soap and water
- Cover your nose and mouth when you cough or sneeze
- Wear a mask if you are sick
- Avoid close contact with sick people (standing closer than 6 feet, touching, kissing, hugging)

### IS IT SAFE TO EAT PORK?

Yes. This disease is spread from person to person. It is not spread by pork meat. Pork that is handled properly and cooked thoroughly is safe to eat.

### WHAT WE ARE ASKING FROM YOU:

- If you get sick with flu-like symptoms, seek medical care immediately
- If you have recently travelled to an affected area and you develop symptoms within 7 days since you left the affected area, please seek medical care immediately and let staff know about your travel history.
- If you notice an unusual amount of flu-like illness in your community, call your public health department and let them know about it.

**If you get sick, especially if you develop a flu-like illness, avoid or limit contact with others and REPORT TO THE HOSPITAL FOR IMMEDIATE MEDICAL CARE. Be sure to tell them right away that you might have the flu.**

**Pohnpei State Hospital 320-2215**

**Pohnpei State Public Health 320-2217**

**Yap State Hospital 350-2115**

**Chuuk State Hospital 330-2216**

**Kosrae State Hospital 370-3200**

**FSM Department of Health Services (in Palikir) 320-2619**

## FSM Receives EPA Award for Work on Montreal Protocol

Washington, D.C., April 21, 2009 — Mauritius and the Federated States of Micronesia (FSM) were honored with a Climate Protection Award from the U.S. Environmental Protection Agency for their outstanding contribution to climate protection under the Montreal Protocol ozone treaty. Last year, representatives from both countries were instrumental in advocating and building support for collection and destruction of “banks” of ozone-depleting substances (ODSs) that reside in old equipment, and that would otherwise leak out and contribute to the ozone hole and climate change.

Ambassador Masao Nakayama, Permanent Representative of FSM to the United Nations and Sateaveed Seebaluck, Permanent Secretary of the Ministry of Environment of Mauritius, collaborated on a joint proposal addressing these ODS “banks” which would result in up to 6 billion tons of CO<sub>2</sub>-eq. by 2015 in avoided emissions — a significant amount compared with the 5 billion tons of CO<sub>2</sub>-eq. in reductions that the Kyoto Protocol seeks from 2008-2012. Both Parties worked hard to promote their proposals and Antonio Oposa Jr.’s work as a special advisor for FSM was crucial in moving the discussions forward. In November 2008, the 193 Parties agreed on the urgent need to address ODS banks and included funding for pilot projects in the US \$490 million agreed upon by developed countries to finance projects under the Protocol for the next three years.

“The Federated States of Micronesia is honored to be receiving such a prestigious award from the US EPA,” said Amb. Nakayama. “The Montreal Protocol is one of few international treaties to have enjoyed such success and we would do well to continue to strengthening it to protect the ozone layer and reduce greenhouse gas emissions.” For small island countries with limited funds and limited contributions to global emissions, putting forth these formal proposals was an innova-

tive strategy that helped catalyze the rest of the world to stretch its climate goals.

“Promoting climate protection under the Montreal Protocol makes a lot of sense and, although it required hard work, was a relatively easy decision for us,” said Sateaveed Seebaluck. “Climate change is such a serious threat to small island countries that every effort to reduce greenhouse gas emissions is not a choice, it is a MUST, particularly when you know your efforts are sure to bring results, as the Montreal Protocol has done for over 20 years.” Because many of the ozone-depleting gases regulated under the Montreal Protocol are also powerful greenhouse gases, it is the most successful climate treaty to date, having delayed the effects of climate change by 7 to 12 years.

“If we had not taken action to get the ball rolling last year to begin collecting and destroying these potent substances from old equipment, we would have lost a unique opportunity to avoid a significant amount of climate emissions,” said Antonio Oposa Jr. “If we want to save the world from climate change, we need to start now, with actions that will bring quick results. Using the Montreal Protocol to reduce greenhouse gas emissions is one such strategy.”

FSM and Mauritius have been part of a group of developing country Parties leading the discussions on climate under the Montreal Protocol for the second year in a row. Other countries taking action include Argentina and Mexico, both of which have negotiators Laura Berón and Agustín Sánchez, respectively, receiving U.S. EPA awards today for promoting climate protection under the Montreal Protocol. Former environment minister of Argentina Romina Picolotti and her colleague in charge of international environmental issues, Ana Maria Kleymeyer, were recognized last year for their dedicated work in garnering support for the agreement

to accelerate the phase-out of HCFCs which would result in up to 16 Gt CO<sub>2</sub>-eq. of avoided greenhouse gas emissions through 2040.

However, in order to achieve this level of avoided emissions, another group of greenhouse gases must be targeted: hydrofluorocarbons (HFCs) with high global warming potentials. HFCs were introduced under the Montreal Protocol as a substitute for HCFCs because they do not harm the ozone layer. Unfortunately, HFCs can be up to 11,000 times more powerful at warming the atmosphere than CO<sub>2</sub>. Low-GWP alternatives exist, and the next step is to start phasing down high-GWP HFCs. Discussions have already begun between the Montreal Protocol and the UNFCCC (where HFCs are currently controlled) to address the issue.

“HFCs are serious contributors to climate change,” said Durwood Zaelke, President of the Institute for Governance & Sustainable Development. “We need to realize that CO<sub>2</sub> is only half the problem and that we need to step up efforts to reduce emissions of HFCs and other non-CO<sub>2</sub> climate forcers.”

Zaelke continued, “The Montreal Protocol has over two decades of experience in successfully phasing down almost 100 chemicals by 97%, and is an ideal treaty to bring the HFC problem under control.”

Representatives from the UNFCCC and the Montreal Protocol will meet this summer to discuss possible collaboration on mitigation of HFCs and steps for moving forward. Congressmen Waxman and Markey recently requested that the White House propose an amendment to move HFCs to the Montreal Protocol to phase down those with high-GWP. \*