

NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS
42ND CONSTITUTIONAL REGULAR SESSION, 2021

Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

APPROPRIATION (FINANCIAL YEAR 2022) ACT 2021

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NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS
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Republic of the Marshall Islands
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APPROPRIATION (FINANCIAL YEAR 2022) ACT 2021

A BILL FOR AN ACT to:

- (a) authorize in accordance with Article VIII of the Constitution, the issuance from the Marshall Islands General Fund, including funds provided under the Compact of Free Association (As Amended), and other funds, a total sum of ~~\$242,974,025~~ 247,919,069 to meet the expenditures of the Government for the Financial Year 2022; and
- (b) Appropriate sums to program areas; and
- (c) to provide for:
 - (i) A Contingencies Fund in accordance with Section 9 of Article VIII of the Constitution;
 - (ii) for contingent appropriation of amounts that may be received in the future;
 - (iii) the delegation of authority to approve expenditures under Section 5 of Article VIII of the Constitution;
 - (iv) controls on the reprogramming and transfer of funds within and between program areas; and
 - (v) control on specific expenditures.

BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS

§101. Short title.

This Act may be cited as the Appropriation (Financial Year 2022) Act 2021.

§102. Statement of National Objective.

The following attachments are also included as part of the Appropriation (Financial Year 2022) Act of 2021 as follows:

- (1) It is the intention of the Government of the Republic of the Marshall Islands to enact and implement a national budget for the whole of the Financial Year 2022 as provided in the attached Fiscal Year 2022 Budget Schedule.
- (2) Republic of the Marshall Islands Budget Book for Financial Year 2021-2022 which incorporates the Medium Term Budget Investment Framework (MTBIF) and the Economic Policy Statement attached as Appendix B.

§103. Interpretation.

In this Act:

- (1) “**program area**” means program areas set out in Schedules 1 to Schedule 9 as indicated by the headings in those schedules.
- (2) “**unanticipated income**” means any money, not being loan money, that:
 - (a) becomes available for expenditures from a source at a time when the Nitijela is not meeting pursuant to Article VIII, Section 7 of the Constitution; and
 - (b) has not been specifically included in the budget estimates for the Financial Year, which the Cabinet is satisfied should, in the interests of the Republic of the Marshall Islands, be expended, pursuant to Article VIII, Section 7 of the Constitution, before the expenditures could reasonably be authorized by an Appropriation Act or a Supplementary Appropriation Act.

§104. Appropriations from the Marshall Islands General Fund.

The sum of ~~\$72,004,000~~ \$75,438,119 is hereby appropriated and may be withdrawn from the Marshall Islands General Fund and expended pursuant to Article VIII of the Constitution for program areas as set out in Schedule 1 inclusive of the amount that may be spent or payable under the continuing appropriation.

§105. Appropriations from the Special Revenue Funds.

The sum of **\$10,972,162** is hereby appropriated, and may be withdrawn from the Special Revenue Funds as set out in Schedule 3 subject to Section 116 of this Act.

§106. Compact Funds.**(1) Total Appropriations.**

All Funds provided under the Compact of Free Association (As Amended) in the amount ~~\$84,334,724~~ **\$85,845,649** shall be credited to the General Fund and shall be appropriated in accordance with the relevant provisions and Schedule 2 of this Act.

(2) Restrictions on Reprogramming of Compact Funds.

Fund received under the Compact of Free Association, as amended shall not be transferred to any other activity, or reprogrammed or expended for any purpose during the Financial Year other than the permissible uses of those funds as provided for in the Compact of Free Association (as Amended) and its Subsidiary Agreements.

(3) Compact Funds shall not lapse.

All moneys received under the Compact of Free Association, as Amended and appropriated herein shall not lapse at the end of the Financial Year. However any unspent funds thereof shall be returned to US Department of Interior and shall be re-granted in the subsequent year.

(4) Unaudited entities and organizations.

Notwithstanding the provisions of any other law or agreement, any entity or organization receiving funds under the Compact of Free Association as Amended, shall not receive such funding if the Auditor – General or its contractors have determined that the books, accounts and financial records of any such entity or organization have not been auditable for the past three preceding fiscal years until such time as the Auditor – General or its contractor determine that such entity or organization has taken necessary corrective action to render such books, accounts and financial records in an auditable condition to permit a financial audit to proceed.

§107. Appropriation of U.S. Federal Grants, other Foreign Grants and Loans.

- (1) The sum of \$75,663,139 being the total amount of special U.S. Federal Grants including capital grants from the Republic of China (Taiwan), Asian Development Bank, World Health Organization (MOH), Global Fund, UH Grant, European Union Grants (EU), World Bank, SPREP Grant, WRI NDC Partnership, UNDP Deep Dive, IISD Nap Global Network, UNFPA, SPC-SUPA, GCF and GEF are appropriated and may be withdrawn from the Marshall Islands General Fund pursuant to Article VIII of the Constitution, for program areas in accordance with Schedules 4 and 5, during the Financial Year.
- (2) The amounts set out in Schedules 4 and 5 are not available for expenditure as reprogrammed expenditure under Article VIII Section 7 of the Constitution, except as authorized by or under the agreements with the donor nation and/or institution.
- (3) The appropriation made by Subsection (1) shall not lapse at the end of the Financial Year, but shall continue until either the grant expires or the funds are expended, whichever occurs first.

§108. Funding of the Office of the Auditor –General.

- (1) The Secretary of Finance shall withhold and deposit in the special account in the Marshalls Islands General Fund, zero point eight percent (0.8%) of all amounts appropriated in Schedules 1,2,3,4 and 5, and the sum so withheld and deposited may be withdrawn and expended by the Auditor–General for the activities and functioning of his/her office. Provided, however, that such withdrawal and expenditure by the Auditor – General shall be made in consultation with the Secretary of Finance.
- (2) The zero point eight percent (0.8%) of funds to be withheld and deposited under Subsection 1 shall apply only to the General Fund in Schedule 1, Schedule 3 and Republic of China (Taiwan) capital grants as appropriated in Schedule 5. Provided however, any funds under Schedule 1, Schedule 3 and Schedule 5 which are not subject to the zero point eight (0.8 %) shall be identified by the Secretary of Finance.

§109. Contingencies Fund.

- (1) In accordance with Article VIII, Section 9(1) of the Constitution, \$200,000 is authorized to be advanced against the General Fund for purposes of the Contingencies Fund.
- (2) Where, during the Financial Year, an amount of unanticipated income is received by the Government for the purpose of an urgent and unforeseen need, the amount prescribed in Subsection (1) for the Contingencies Fund is increased by the amount of that unanticipated income, to meet such need.

§110. Unanticipated Income.

Where, during the Financial Year, an amount of unanticipated income is received by the Government for a specified program area, other than as set out in Section 109 (2), that amount is appropriated for the corresponding program area in the Schedules as the case may be, and the amount of the appropriation for that program area is increased accordingly.

§111. Notification to the Cabinet by the Minister.

When any money is received under Section 110 herein above, the Minister of Finance shall notify the Cabinet of the receipt of such money, and such money shall not be expended without the approval of the Cabinet.

§112. Lapsing of Certain Appropriations.

- (1) Except for the amounts appropriated under Schedule 5, Schedule 6, Schedule 7, Schedule 8, and Schedule 9, the amounts appropriated under Schedule 1, Schedule 2, Schedule 3, Schedule 4 ~~and Schedule 5~~ shall lapse at the end of the financial year to which this Act applies.
- (2) Any increase in the amount prescribed for the Contingencies Fund provided for by Section 109 (2) and any increase in the amount of an appropriation to a program area affected by Section 110 lapses:
 - (a) at the end of a financial year for which this Appropriation Act applies or a Supplementary Appropriation Act is enacted after the date referred to in Section 118 of this Act; or
 - (b) on the adoption of a Resolution to that effect by the Nitijela, whichever occurs first.

§113. Delegation of Authority to Approve.

- (1) For the purposes of Article VIII, Section 5 (1) of the Constitution, the authority to approve expenditure in a program area in accordance with Schedules 1 to 5 is hereby delegated to:
 - (a) The member of the Cabinet primarily responsible for that program area and;
 - (b) If the responsible member of the Cabinet so directs by instrument in writing, and subject to any limitations imposed by the instrument and to general control by the member, an appropriate person, authority, or agency;
 - (c) The Chief Justice of the High Court pursuant to the Judiciary Fund in accordance with the provisions of 27 MIRC Chapter 1; or
 - (d) The Minister of Finance in particular to appropriations made under Special Appropriations in Schedule 1 and the Republic of China (Taiwan) Capital Projects in Schedule 5 of this Act.
- (2) Any expenditure in Schedule 1, 2, 3, 4 and 5, shall require the approval of the Cabinet in accordance with Article VIII, Section 5(1) of the Constitution.

§114. Reprogramming of Funds.

Before any reprogramming of expenditure between program areas is approved under Article VIII, Section 7 (1) of the Constitution, the Cabinet shall approve such reprogramming.

§115. General.

- (1) In the event the actual receipts into the Marshall Islands General Fund fall short of the total amount appropriated in Schedules 6, 7 and 8, the Cabinet pursuant to Article VIII, Section 7 of the Constitution, may make the necessary adjustments to Schedules 1, 2, 3, 4 and 5 to accommodate the shortfall.
- (2) All contracts awarded by the Government and associated agencies must comply with the provisions of the Republic of the Marshall Islands Procurement Code. Funds will only be released by the Ministry of Finance upon proof of compliance with the code.

- 1 (3) Gross Revenue Tax of 3% on all Government contracts will be
2 withheld by the Ministry of Finance at the time of payment, and
3 credited against the contractor's liability to pay gross revenue tax for
4 the period of the payment. The contractor is still required to file a tax
5 for return for the period.
- 6 (4) All Government Ministries, statutory corporations and agencies must
7 have been audited and have complied with all the audit
8 recommendations prior to receiving any quarterly allocation. Any
9 Government Ministries, statutory corporations and agencies unable
10 to comply with all the audit requirements must provide an expense
11 report before release of any funds.
- 12 (5) No funds appropriated under this Act shall be released to any Local
13 Government, statutory corporation or agency whose financial records
14 have not been audited for the past two preceding fiscal years, until
15 such Local Government, statutory corporation or agency has taken
16 the necessary steps to render such records auditable, or provides a
17 full and complete report of its expenses to Cabinet.
- 18 (6) Any Government Ministry, statutory corporation and or agency that
19 receive funds appropriated under this Act or any other Act, or
20 subsidies or any other government funds shall enter into a
21 Memorandum of Agreement with the Government in accordance
22 with Regulations and guidelines established by the Secretary of
23 Finance pursuant to the Financial Management Act.
- 24 (7) Ministry of Finance shall act as a receivership in an event that
25 Government Ministry, statutory corporation and or agency that
26 receive funds appropriated under this Act, or any other Act, or
27 subsidies or any other government funds, unable to comply with all
28 the audit requirements.
- 29 (8) Subsidies received by any State-owned Enterprise shall not be
30 expended during the financial year for any other purposes other than
31 the permissible uses of those funds as provided for in the Act
32 establishing that State-owned Enterprise or any other Act.

33 §116. Special Revenue Fund.

34 Any money in excess of an appropriation made in Schedule 3 (Special
35 Revenue Funds) may be expended during the Financial Year only in
36 accordance with terms of the Act establishing such Special Revenue Fund.

1 **~~§117. Contribution to the Marshall Islands Trust Fund.~~**

2 ~~The Republic of the Marshall Islands shall be responsible for remitting to the~~
3 ~~Marshall Islands Trust Fund an amount equal to \$250,000 of the total~~
4 ~~amount of surplus collected by the government at the close of a fiscal year.~~

5 **§1187. Effective Date.**

6 This act shall take effect on the date of certification in accordance with
7 Article IV, Section 21 of the Constitution and the Rules of Procedures of the
8 Nitijela.
9

NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS
42ND CONSTITUTION REGULAR SESSION, 2021

APPROPRIATION (FINANCIAL YEAR 2022) ACT 2021

BILL SUMMARY

This Bill proposes to authorize in accordance with Article VIII of the Constitution, the issuance from the Marshall Islands General Fund, including funds provided under the Compact of Free Association (As Amended), and other funds, a total sum of \$242,974,025 to meet the expenditures of the Government for the Financial Year 2022. The Appropriation bill will appropriate sums to program areas as well as to provide for a Contingencies Fund in accordance with Section 9 of Article VIII of the Constitution, for contingent appropriation of amounts that may be received in the future, the delegation of authority to approve expenditures under Section 5 of Article VIII of the Constitution, control on the reprogramming and transfer of funds within and between program areas and lastly to control on specific expenditures.

NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS
42NDTH CONSTITUTION REGULAR SESSION, 2021

APPROPRIATION (FINANCIAL YEAR 2022) ACT 2021

SIGNATURES

DATE: _____ INTRODUCED BY _____
Print Name *Signature*

DATE: _____ INTRODUCED BY _____
Print Name *Signature*

DATE: _____ INTRODUCED BY _____
Print Name *Signature*

DATE: _____ INTRODUCED BY _____
Print Name *Signature*

DATE: _____ INTRODUCED BY _____
Print Name *Signature*

DATE: _____ INTRODUCED BY _____
Print Name *Signature*

10.

DATE: _____ INTRODUCED BY _____
Print Name *Signature*

SCHEDULE A: FINANCIAL YEAR 2022 GLOBAL BUDGET

RECURRENT GENERAL FUND APPROPRIATIONS	FY2022
SCHEDULE 1	
PRESIDENT & CABINET	2,189,909
Office of the President	603,865
President & Ministers	674,705
Cabinet Operations	321,620
National & International Hosted Conferences	132,432
Sustainable Development Goals (SDG's)	82,770
Marshall Islands Council of Non-Governmental Organizations (MIGNOs)	82,770
National Nuclear Commission	291,747
MINISTRY OF ENVIRONMENT	643,107
Climate Change Directorate (CCD)	289,515
Climate Change Directorate (CCD) - Ebeye	32,482
Environmental Protection Authority (EPA)	153,707
National Energy Office (NEO)	167,403
CHIEF SECRETARY	1,138,035
Administration	438,434
Deputy Chief Secretary - Ebeye Office	117,375
Economic Policy Planning & Statistics Office (EPPSO)	404,210
Red Cross	114,223
CSO Overhead Administrative - WSO	63,793
COUNCIL OF IROIJ	524,621
Administration	131,932
Council of Iroij Members	392,689
NITIJELA	2,162,665 2,256,965
Nitijela Operations	451,226 545,526
General Membership	1,247,048

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Speaker's Contingency	104,160
Committee Expense	66,768
Legislative Counselors	138,514
Senators Office Allowance & Communications	154,949
AUDITOR GENERAL	569,233
Administration (0.8%)	
Office of the Auditor General	69,233
Single Audit Matching	500,000
MINISTRY OF FOREIGN AFFAIRS & TRADE	4,224,738
Administration	774,592
Office of Compact Implementation	61,250
Washington D.C. Embassy	600,291
RMI-USAKA Office	102,328
Honolulu Consulate	235,032
United Nations Mission - New York	448,775
Japan Embassy - Tokyo	466,889
ROC Embassy - Taipei	327,265
Fiji Embassy - Suva	433,523
Arkansas Consulate	173,305
Korea Embassy	274,224
Geneva Mission	327,264
PUBLIC SERVICE COMMISSION	557,524
Public Service Commission	146,632
PSC Administration	410,892
JUDICIARY	1,186,253
General Courts	940,558
Traditional Rights Courts	143,735
Community Court	101,153
Judicial Service Commission	807
MINISTRY OF HEALTH & HUMAN SERVICES	4,677,208

Health Administration	1,259,953
Health Planning & Statistics	157,955
Majuro Hospital Medical Services	2,475,734
Kwajalein Atoll Hospital Services	540,562
Primary Health Medical Services	174,142
Neighboring Islands Health Services	14,662
Behavioral Health Services	30,200
Wound Care Project	-
Environmental Health/Hospital Unit	24,000
Health Assistant Training Program	-
MOH Information System	-
MINISTRY OF EDUCATION, SPORTS, & TRAINING	13,470,720
National Board of Education	67,988
College of the Marshall Islands	1,547,531
CMI - Customary Law and Language Commission	172,878
CMI - Endowment Fund	82,770
CMI - Distant Learning	206,925
Scholarship Board	1,016,886
National Training Council	87,043
RMI/USP Joint Project	600,000
Aid to Private School	795,000
Administration & Human Resources	826,992
Leadership & Management	317,379
Policy, Planning & Standards	262,833
Elementary Education & Support Services	601,525
Secondary Education & Support Services	215,145
Contracted Teachers	4,043,211
Property and Maintenance	314,330
PSS Neighboring Islands School District	137,551
PSS Budget & Finance	321,965
Hot Lunch Feeding Program - Majuro	974,208
Hot Lunch Feeding Program - Kwajalein	252,402
Hot Lunch Feeding Program - Neighboring Islands	440,066
Teacher, Standard, Licensing Board	15,315

Sports & Recreation	170,777
CMI - Bilingual Program	-
CMI - Youth Service Corps	-
MINISTRY OF TRANSPORTATION, COMMUNICATIONS & IT	760,505
Administration	391,227
Directorate of Civil Aviation	286,508
Sustainable Transport Project (Okeanos)	82,770
MINISTRY OF NATURAL RESOURCES & COMMERCE	1,853,446
Administration	367,496
Agro-Forestry	373,976
Quarantine Office	195,863
Trade and Investment	203,176
Office of Commerce and Investment (OCI)	630,165
1 Island 1 Product	82,770
MINISTRY OF CULTURE AND INTERNAL AFFAIRS	3,125,195,693
Administration	371,811
Cultural Historic Preservation Office	70,000
Local Government Affairs	123,263
Local Government Fund	611,233
Grant in Aid	241,935
Child Rights Office	62,035
Youth Services Bureau	41,673
Gender and Development	49,547
Electoral Administration	84,320
V7AB Radio Division	230,314
Central Adoption Administration	43,972
Ebeye Office	125,919
Community Development office	45,023
Alele Corporation	166,183
Disability Office	34,450

Constitution Day	15,608
Neighboring Islands Economic Development Fund	270,813
Registrar's Office	43,990
Senior Citizens Office	22,450
Human Rights Committee	-
MIMA Support fund Conference	-
Local Government Mayors	541,154
MINISTRY OF JUSTICE, IMMIGRATION, & LABOR	4,606,086
Public Defender - Majuro	199,178
Public Safety - Majuro	1,871,818
Public Safety - Ebeye	466,394
Sea Patrol	633,751
Search and Rescue	72,800
Parole Board	9,932
Attorney General Office	708,661
Immigration - Majuro	220,402
Immigration - Ebeye	76,493
Labor Division - Majuro	108,402
Labor Division - Ebeye	17,796
Land Registration Authority	95,459
Micronesian Legal Services	125,000
MINISTRY OF WORKS, INFRASTRUCTURE, & UTILITIES	2,335,284
Administration	453,613
Carpentry Department	223,843
Electrical & Plumbing	146,874
Landing Craft Operation	212,508
Road & Grounds	255,205
Equipment Repair & Maintenance	400,671
Project Management Unit	158,095
Land & Survey	102,204
Public Works Project	-
Ebeye Public Works Support KALGOV)	380,271

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Repair & Maintenance Support Ebeye (KALGOV)	-
MINISTRY OF FINANCE BANKING & POSTAL SERVICES	2,875,714
Secretary's Office	305,991
Accounting & Administration	660,109
Revenue Division Majuro	237,806
Custom Division	246,790
Treasury Division	77,360
Budget & Procurement	254,499
Procurement & Supply Division	264,914
Finance Office - Ebeye	224,431
Revenue/Custom Office - Ebeye	139,417
Division of International Development Assistance	213,359
PMEU (HR & Internal Audit Unit)	124,308
SOE Monitoring Unit	88,820
State Agency SAPT - Matching	37,910
POSTAL SERVICES	198,648
Postal Services	198,648
BANKING COMMISSION	<u>421,803 473,936</u>
Administration	<u>421,803 473,936</u>
STATE-OWNED ENTERPRISES	<u>7,363,5128,306,300</u>
Majuro Atoll Waste Company (MAWC)	<u>359,587702,375</u>
Airlines of the Marshall Islands (AMI)	674,175
<u>Marshall Islands Resorts (MIR)</u>	<u>300,000</u>
Marshall Islands Shipping Corporation (subsidy)	1,129,750
Marshall Islands Shipping Maintenance Fund	450,000
National Telecommunication Authority	-
Tobolar Copra Processing Company	4,750,000
<u>Majuro Water and Sewage Company (MWSC)</u>	<u>300,000</u>
SPECIAL APPROPRIATIONS	<u>17,123,296-19,378,194</u>

Majuro Landowners Electricity	3,820,000
Land and Building Leases	1,712,050
International Subscriptions/Membership Fees	468,000
ADB Loan Payment	2,532,000
MIDB Loan Payment	1,733,473
Fees Payment (Commitment fees & Bank Fees)	150,000
Centralized Utility Bills - Majuro	600,000
Centralized Utility Bills - Ebeye	50,000
Lease Housing	120,000
Prior Year Liability and Projects	140,456
Contingency Fund	200,000
Marshall Islands Social Security Administration (Subsidy)	1,400,000
Kwajalein Atoll Development Authority	35,600
Trust Fund Contribution	-
Employee Pension Fund (Government share)	200,000
Kwajalein Solid Waste	133,500
Kwajalein Sewage Truck	-
Immovable Tax Share (KALG, JALG & WALG)	729,000
Compact Negotiation	1,000,000
Track & Field	1,100,000
Copra Stabilization Fund	999,217
<u>Non-State Actor Support Fund</u>	<u>327,000</u>
<u>GCF Water Project Matching Fund</u>	<u>500,000</u>
<u>MOHHS Utilities</u>	<u>377,059</u>
<u>AML/CFT Mutual Evaluation</u>	<u>50,839</u>
<u>Senior Citizen Housing Support</u>	<u>1,000,000</u>
TOTAL GENERAL FUND EXPENDITURES	72,00,00075,438,119
COMPACT FUNDS	SCHEDULE 2
AUDITOR GENERAL	500,000
Single Audit	500,000
HEALTH	6,210,969-915,632
Lease Housing	-
Waste Incinerator	-

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KUMIT Wellness	-
Majuro Health Care Services	3,255,874
Primary Health Care Services	301,085
Neighboring Island Health Dispensaries	885,574
Leprosy Program	149,086
TB Program	-
One Stop Shop NCD	120,351
Dental Program	427,840
Kwajalein Atoll Health Administration	43,245
Ebeye Preventive Services	130,412
Ebeye Dental Services	-
Kwajalein Atoll Dispensaries	-
Kwajalein Atoll Health Care Services	747,897
Behavioral Health Services	149,605
<u>Unspent Sector FY 19 & FY20</u>	<u>704,663</u>
EBEYE SPECIAL NEEDS - HEALTH	2,369,620
Ebeye Hospital	2,369,620
ENVIRONMENTAL SECTOR	251,660
Kwajalein Environmental Impact Assessment	251,660
EDUCATION	9,316,453 10,122,715
College of the Marshall Islands (Compact Designated)	987,003
Scholarship Board	592,202
PSS Administration & Human Resources	32,690
PSS Budget & Finance	90,846
MOE Policy, Planning and Research	69,000
MOE Curriculum Instructions and Assessment	9,000
Elementary Education and Support Services	3,700
Majuro Middle School	422,945
Elementary Education - UES	239,574
Elementary Education - RES	276,583
Elementary Education - DES	424,001
Elementary Education - APES	150,646

Elementary Education - WES	110,006
Elementary Education - LES	184,909
Elementary Education - RRES	247,993
Elementary Education- LIES	86,741
Elementary Education - EES	43,470
Elementary Education - EPES	489,951
Elementary Education Northern School District	163,033
Elementary Education Southern School District	390,363
Elementary Education Eastern School District	233,978
Elementary Education Western School District	78,479
Elementary Education Central School District	246,301
Secondary Education and Support Services	24,280
Secondary Education - MIHS	1,461,594
Secondary Education - LHS	456,759
Secondary Education - JHS	630,724
Secondary Education - NIHS	597,320
Secondary Education - KAHS	482,817
MOE Property & Maintenance	89,545
<u>Section Unspent FY19 & FY20</u>	<u>806,262</u>
EBEYE SPECIAL NEEDS - (EDUCATION)	2,845,850
Elementary and Secondary Schools	2,520,850
Kwajalein Scholarship	200,000
Adult Education - CMI	125,000
SUPPLEMENTAL EDUCATION GRANT (SEG)	5,568,464
National Training Council	403,750
Industrial Arts & Life Skills Program	364,386
School Enrichment Program	174,370
Elementary Schools Equip, Supplies and Materials	420,000
Secondary Schools Equip, Supplies and Materials	123,000
School accreditation	197,935
High School Practicum Program	20,000
Secondary Textbook	95,000
Music/Arts Program	34,175

Student Exchange Program	7,900
School Debate Program	22,084
Majolizing the Curriculum (Pre-Ninth)	193,447
Adult Education and Literacy (CMI)	288,325
Close Up Program	26,000
Instructional Technology Support	182,401
Instructional Service Center	105,168
Professional Development	499,337
MOE Contractual	338,821
Elementary Textbook	18,363
Kindergarten Program	1,755,129
School Learning Garden	20,000
MOE Data Improvement Project	278,873
TOTAL COMPACT SECTOR GRANTS	<u>27,063,016</u> 28,573,941
COMPACT CAPITAL FUND	10,645,218
Ebeye Public School Phase 3 (12 classrooms) Phase 4	3,155,000
Laura HS 4 Classrooms	2,800,000
Rita Proposed Health Clinic	-
Ebeye Hospital Plumbing	-
College of the Marshall Islands	500,000
PSS Schools Preventive Maintenance	1,278,458
PSS Schools & MOH Health Center Repairs	532,260
Majuro and Ebeye Hospitals Maintenance	250,000
PMU Operation	629,500
Ebeye Road Repair/ Causeway (Asphalt Paving)	-
Santo Electric Cable (Roi-Namur to Santo - initial fund)	1,500,000
EBEYE SPECIAL NEEDS - Capital	1,201,860
Ebeye Master Land Lease	389,000
Ebye Seawall Phase 3 (Mid Corridor, Ebeye Hotel & DIY site)	300,000
Ebeye Causeway Improvement Phase 2 Section 1-3	-
PW Garage Roof Repair	-

Mid Corridor Islands/ Enmaat, Eru, & Nel shelters	-
Mid Corridor Housing Stage 2b (Matching)	312,860
Santo Seawall (Additional)	200,000
OTHER COMPACT DESIGNATED	43,033,860
Kwajalein Landowners	22,649,400
Compact Disaster Grant	251,660
Compact Trust Fund	20,132,800
KWAJALEIN IMPACT FUND	2,390,770
Ebeye Project Management Unit (PMU)	200,000
Mid corridor Housing Stage 2	1,251,840
Mid-corridor Utilities	275,000
Power Generation Support & Maintenance- KAJUR	663,930
TOTAL COMPACT EXPENDITURES	84,334,724 85,845,649
SPECIAL REVENUE EXPENDITURES	SCHEDULE 3
Health Care Fund	8,379,662
Environment Protection Authority	393,000
Ministry of Internal Affairs Fund	50,000
Ministry of Justice Fund	400,000
National Training Council Fund	560,000
Sea Patrol Fund	10,000
Labor Special Revenue Fund	115,000
MONRC Agriculture Revolving Fund	30,000
Public Work Fund	110,000
Majuro Atoll Waste Company	840,000
Banking Commission	84,500
Total SPECIAL REVENUE EXPENDITURES	10,972,162
U.S. FEDERAL GRANT EXPENDITURES	SCHEDULE 4
MINISTRY OF HEALTH & HUMAN SERVICES	5,665,254
Pacific Basin Health Initiative (PBHI - Ebeye CHC)	-
Community Mental Health Services (CMHS Admin)	-
Community Mental Health Services (CMIHS Majuro)	-

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Community Mental Health Services (CMHS Ebeye)	-
Preventive & Control Chronic Disease	-
Preventive Health & Health Services (PHHS Block Grant)	-
MCHB SSDI	-
Family Planning Title X	-
Epidemiology & Laboratory Capacity for Infectious(ELC-EPI,Lab,Hit)	-
Ryan White Program	-
HIV Surveillance	-
RMI HIV Preventive - Majuro	-
RMI STD CPS - Majuro	-
RMI TB HR	-
RMI TB P&C - Majuro	-
RMI TB P&C - Ebeye	-
RMI TB Lab - Majuro	-
VIRAL Hepatitis	-
Maternal & Child Health (MCHS - Comp A, B & C)	-
Maternal & Child Health (MCHS - Comp Admin)	-
Bioterrorism Preparedness - Majuro Hosp	-
Hospital Preparedness Program	-
Public Health Emergency Preparedness (PHEP)	-
Cancer Program	-
Bureau of Primary Health Care (PHC)	3,089,243
Bureau of Kwajalein Atoll Health Care Services (KAHCS)	1,122,035
Bureau of Preparedness (OHPPPE)	1,453,976
177 Health Care Program	1,737,051
MINISTRY OF EDUCATION, SPORTS & TRAINING	10,340,447
Special Education Program	1,682,329
CMI Federal Grant	8,658,118
MINISTRY OF NATURAL RESOURCES & COMMERCE	50,000
Agro-Forestry Program	50,000

MINISTRY OF FINANCE, BANKING & POSTAL SERVICES	1,573,738
177 Four Atoll Feeding Program	574,000
Substance Abuse Prevention & Treatment Block Grant(SAPT)	999,738
CHIEF SECRETARY OFFICE	745,800
Weather Station Office	695,800
Emergency Management	50,000
MINISTRY OF CULTURE & INTERNAL AFFAIRS	260,500
Historic Preservation Office	260,500
CORONA VIRUS CAPITAL PROJECT FUND	14,285,714
WIU	4,761,905
MOHHS	4,761,905
MOCIA	4,761,904
Total U.S FEDERAL GRANT EXPENDITURES	34,658,504
OTHER DEVELOPMENT ASSISTANCE EXPENDITURES	SCHEDULE 5
Asian Development Bank (ADB) Grant	2,000,000
Solid Waste Project	
Majuro Water & Sanitation Project	
Public Financial Management Project (additional financing)	-
Rehabilitation of Ebeye Roads (EWSSP) project	2,000,000
European Development Fund	2,249,891
EDF11 Energy Office	1,065,961
Marshall Energy Company (EDF11 Support Reform Energy Sector)	520,000
KAJUR (EDF11 Support Reform Energy Sector)	663,930
EDF11 Support Reform Energy Sector	-

World Bank International Development Assistance	23,900,000
Pacific Resilience Project (PREP) II	1,500,000
Pacific Islands Regional Ocean Scape Program (PROP)	-
Sustainable Energy Development Project	15,000,000
Marshall Islands Maritime Investment Project	1,500,000
Early Child Development Project	1,000,000
Telecom and ICT Development Project	-
Project for Activity Performance in Financial Management	1,500,000
Digital RMI	1,000,000
Education and Skills	1,000,000
COVID-19 - CSO	1,400,000
Other Small Grants	544,097
Ministry of Health & Human Services (Global Funds)	119,252
Ministry of Health & Human Services (World Health Organization)	125,570
Ministry of Health & Human Services (UH Grant)	99,437
Ministry of Health & Human Services (UNFPA)	125,000
Ministry of Health & Human Services (SPC-SUPA)	74,838
SPREP - Climate Change Directorate	38,964
WRI (NDC Partnership - Climate Change Directorate)	46,200
UNDP Deep Dive - Climate Change Directorate	-
IISD (NAP Global Network - Climate Change Directorate)	30,000
GCF (WSO, MOH, readiness - Climate Change Directorate)	4,012,983
GEF (3rd UNFCCC) - Climate Change Directorate)	182,500
ROC CAPITAL PROJECTS	8,000,000

MINISTRY OF CULTURE & INTERNAL AFFAIRS	1,200,000
Neighboring Islands Economic Development Fund	1,200,000
MINISTRY OF WORKS, UTILITIES & INFRASTRUCTURE	4,015,760 3,315,760
Seawall	472,760
Roads	500,000
Kwajalein Atoll Community Development Project (KALGOV)	400 500,000
Majuro Development Project (MALGOV)	400 600,000
Majuro Water and Sewer Company	-
Neighboring Islands Airport, Runway & Roads improvement	500,000
Land Fill Extension- Majuro	-
Nitijela Maintenance	50,000
Chief Secretary's & Finance Building	25,000
New York Embassy Repair	-
Ebeye Court House Building 2nd & Final Phase	400 000
ICC Maintenance	21 70,000
Washington Embassy - (Residence)	286,000
Lib Island Pass/Dock project Final Phase	312,000
LCM Jokomon - Repair & Maintenance	100,000
Ebeye Repair Maintenance - KALGOV	200,000
Ebeye Seawall	100,000
MINISTRY OF NATURAL RESOURCES & COMMERCE	1,8500,000
Tobolar Copra Processing Company	1,500,000
Laura Farm & NRC Agriculture Plan	<u>350,000</u>
MINISTRY OF FINANCE, BANKING & POSTAL SERVICES	1,284,240
Community Development Project	500,000
Disaster Matching	251,980
Infrastructure Matching Fund	532,260

MINISTRY OF HEALTH AND HUMAN SERVICES	350,000
<u>RMI Medical & Services Upgrade Project</u>	<u>200,000</u>
<u>MOH Internship</u>	<u>150,000</u>
Covid-19 Assistance	-
TOTAL OTHER DEVELOPMENT ASSISTANCE EXPENDITURES	41,004,635
TOTAL ALL EXPENDITURES	242,974,025 247,919,069
ALL REVENUES APPROPRIATION	SCHEDULE 6
GENERAL FUND REVENUES	72,004,000 75,438,119
TAX ITEMS	35,569,000
Marshallese Income Tax	11,522,000
Expat Income Tax	5,889,000
Business Gross Revenue Tax	7,190,000
Non-Resident Business Gross Income Tax	644,000
CMI Tax	1,672,000
Import Tax	7,319,000
Hotel and Resort Tax	40,000
Fuel Tax	450,000
Immovable Property Tax	729,000
Penalty & Interest	54,000
Tax Audit Adjustments	60,000
NON TAX ITEMS	36,435,000
Fishing Rights (MIMRA Remittance)	24,000,000
Interest Income	100,000
Ship Registry	8,000,000
ROC Budget Support	4,000,000
Ports Authority Land Leased Contribution	535,000
Other Sales and Charge Services	50,000
Other Revenue	250 3,184,000
- <u>Due from Sinking Fund</u>	<u>1,384,119</u>
- <u>Special Revenue Spillover (MOJIL)</u>	<u>300,000</u>

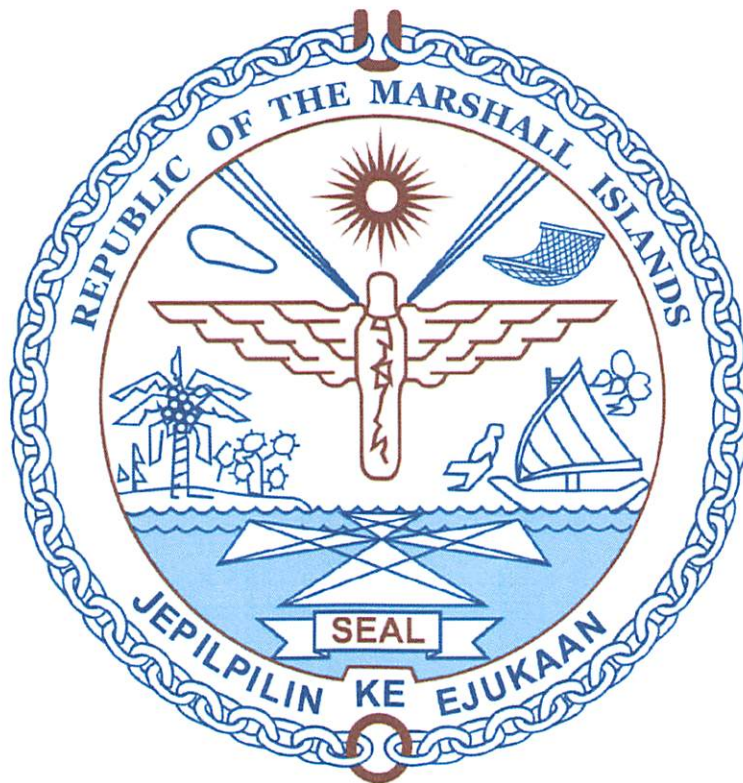
- <u>Trust Fund (D Account)</u>	<u>1,500,000</u>
SCHEDULE 7: SPECIAL REVENUE FUND	
Special Revenue Funds	10,972,162
Health Care Fund	8,379,662
Environment Protection Authority	393,000
Ministry of Internal Affairs Fund	50,000
Ministry of Justice Fund	400,000
National Training Council Fund	560,000
Sea Patrol Fund	10,000
Labor Special Revenue Fund	115,000
MONRC Agriculture Revolving Fund	30,000
Public Work Fund	110,000
MAWC	840,000
Banking Commission	84,500
SCHEDULE 8: COMPACT REVENUE FUNDS	
COMPACT REVENUE FUNDS	<u>84,334,724</u> <u>85,845,649</u>
Compact Base Grants	15,527,422
Compact Base Grants - Ebeye Special Needs	6,417,330
Compact Special Education Grant (SEG)	5,568,464
Compact Disaster Assistance Matching	251,660
Compact Single Audit	500,000
Compact Capital Funds	10,645,218
Kwajalein Environmental Impact Assessment	251,660
Kwajalein Development Fund	2,390,770
Kwajalein Landowners	22,649,400
Trust Fund (Compact Contribution)	20,132,800
<u>Compact Unspent (FY19 & FY20 Health)</u>	<u>704,663</u>
<u>Compact Unspent (FY19 & FY20)</u>	<u>806,262</u>
SCHEDULE 9: ALL OTHER REVENUE	
ALL OTHER REVENUE	75,663,139
U.S. Federal Grants	20,372,790
ROC (Taiwan) Capital Grants	8,000,000

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World Health Organization (MOH)	125,570
Asian Development Bank (ADB) Grant	2,000,000
Global Funds	119,252
UH Grant	99,437
European Union Grants (EU)	2,249,891
World Bank (WB)	23,900,000
SPREP Grant	38,964
WRI NDC Partnership	46,200
UNDP Deep Dive	-
IISD NAP Global Network	30,000
UNFPA	125,000
SPC-SUPA	74,838
GCF	4,012,983
GEF	182,500
Corona Virus Capital Project Fund	14,285,714
TOTAL ALL REVENUES	<u>242,974,025</u>247,919,069

ANNEX B: FINANCIAL YEAR 2022 BUDGET BOOK

Republic of the Marshall Islands



Budget2021/22

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Reporting Requirements

CONSTITUTION

The Marshall Islands Budget is governed by the requirements set out in the Constitution of the Republic of the Marshall Islands as well as the Financial Management Act 1990. Article VIII of the Constitution outlines the founding principles for the management of finances in the Marshall Islands. In terms of the annual appropriation bill the Constitution states that:

- I. The Minister of Finance shall, in relation to each financial year, lay before the Nitijela, as soon as practicable after the commencement of its regular session, budget estimates of the revenues and expenditure of the Republic of the Marshall Islands for that financial year.
- II. The budget estimates shall cover all expected sources of revenue payable into the General Fund, including loans raised or to be raised, and all proposed expenditure from the General Fund including expenditure charged on the General Fund by this Constitution or by any Act, or payable under a continuing appropriation.
- III. Budget estimates relating to the raising of loans shall be accompanied by an analysis showing the future cost of servicing and repaying the loan.
- IV. Budget estimates of capital expenditure shall be accompanied by an analysis showing the estimated future cost of maintaining the asset created or acquired.
- V. The program areas categorized in the budget estimates for that financial year (other than items charged on the General Fund by this Constitution or by Act or payable under continuing appropriation) shall be included in a single Bill, to be known as the Appropriation Bill, which shall be introduced into the Nitijela to provide for the issue from the General Fund of the sums necessary to meet the expenditure incurred in those program areas and the appropriation of those sums for the purposes specified in the Bill.

FINANCIAL MANAGEMENT ACT

The Financial Management Act (Financial Management Act) through Section 120 outlines that a comprehensive system for national financial management should be in place which includes procedures for the:

- Orderly establishment, continuing review and periodic revision of national financial objectives, programs, and policies;
- Establishment of policies and procedures that conform with government accounting and auditing procedures;
- Development, coordination and review of long-range programs and financial plans that will implement established national objectives and policies;
- Preparation, coordination, analysis and enactment of a budget that is organized to focus on national programs and their costs, and that authorizes the implementation of the longrange plans in the succeeding budget period;
- Evaluation or alternatives to existing objectives, policies, plans and procedures that offer potential for more efficient and effective use of national resources; and

- regular appraisal and reporting of program performance

Section 1221 establishes the governing principles around the budget:

- The budget shall be balanced;
- Planning, programming, budgeting, evaluation, and appraisal
- Reporting shall be by program areas or groups of program areas;
- The formulation and operation of the budget will serve as an implementation mechanism for the plan;
- The national program structure shall be such that it will enable meaningful decisions to be made by the Cabinet and the Nitijela at all levels of the structure. At its lowest level, it shall display those programs which are the simplest units of activities, about which resource allocation decisions are to be made by the Cabinet and the Nitijela;
- A program which serves two or more objectives shall be placed in the program structure along with that objective which it primarily serves, and where desirable, it shall also be placed with other objectives, but its cost is not to be included with the total cost of that objective or program area because it is included in some other objective or program area;
- The full cost, including research and development, capital and operating costs, shall be identified for all program areas regardless of the means of financing. Costs shall be displayed in the year of their anticipated expenditure, regardless of whether such costs have been authorized to be expended by prior appropriation acts or are authorized to be expended by existing law or require new appropriations or authorizations;
- Objectives shall be stated for every level of national program structure;
- The effectiveness of program areas in attaining objectives shall be assessed;
- Planning shall have a long-range view; and
- Systematic analysis in terms of problems, objectives, alternatives, costs, effectiveness, benefits, risks and uncertainties shall constitute the core of program planning.

Section 126 of the FMA outlines specific requirements of the budget, which include: a requirement: (i) for a national program structure; (ii) for a statement of national objectives; to outline the financial requirements to carry out the recommended programs; a summary of receipts and revenues in the last completed fiscal year; (iv) for a revised estimate for the fiscal year in progress, and an estimate for the next fiscal year. Section 126 requires that information contained in the budget shall be presented generally in the following manner:

- Information shall be displayed by program areas:
- program area financial requirements shall appropriately crosswalk between the program areas and expending agencies;
- Data shall be appropriately summarized at each level of the program structure;

- Program costs shall include all costs, including research and development, operating and capital, regardless of the means of financing, except that the means of financing shall be expressly identified, and regardless of whether the expenditure of any sum was authorized by prior appropriations acts. is authorized by existing law, or requires new authorization, except that the amounts requiring new authorization shall be appropriately identified;
- Financial requirements shall be presented to the nearest dollar, omitting cents; and the summary of national receipts and revenues shall be presented to the nearest thousand dollars;
- The budget shall reflect the next fiscal year program areas contained in the five-year development plan.

The display of financial requirements for the next fiscal year shall more specifically include:

- At the lowest level of the national program structure for each program area:
- The total recommended expenditures, including research and development, capital and operating costs, by cost categories and cost elements for the ensuing year; the planned allocation of the total annual request, by cost categories, and cost elements. The means of financing and the number of positions included in any cost category amount shall be appropriately identified;
- A summary showing means of financing the total recommended expenditures, those amounts requiring and those amounts not requiring legislative appropriation or authorization for spending for the fiscal year;
- A crosswalk of the total proposed annual expenditures between the program and expending agencies. The means of financing the number of positions included in any cost amount, and the net amount requiring appropriation or authorization shall be appropriately identified for each expending agency; and
- The proposed changes in the levels of expenditures, by cost categories, between the year in progress and the succeeding year, together with a brief explanation of the major reasons for each change, which reasons shall include, as appropriate, the following:
 - i. salary adjustments to existing positions of personnel;
 - ii. the addition or deletion of positions;
 - iii. changes in the number of persons being served or to be served by the program;
 - iv. changes in the program implementation schedule;
 - v. changes in the actual or planned level of program effectiveness;
 - vi. increases due to the establishment of a program not previously included in the national program structure;
 - vii. decreases due to the phasing out of a program previously included in the national program structure; and
 - viii. changes in the purchase price of goods or services.
- Appropriate summaries of Clauses (3)(a)(i) and (3)(a)(iii) of this Section at every level of the national program structure. Such summaries shall be by the major groupings of programs encompassed within the level. The summaries of Clause (3)(a)(i) of this Section shall identify the means of financing and the number of positions included in any cost category amount;

- Summary listing of capital improvements projects included in the proposed capital investment costs for the succeeding fiscal year. The listing shall be by programs at the lowest level of the national program structure and shall show for each project, by investment cost elements:
 - i. the cost of the project;
 - ii. the amount of funds previously appropriated and authorized by the Nitijela; and
 - iii. the amount of new appropriations and authorizations proposed in the succeeding fiscal year.

The amount of the new appropriations and authorizations proposed shall constitute the proposed new requests for the project in the succeeding fiscal year. In every instance, the means of financing shall be noted. The summaries of the receipts and revenues shall more specifically include:

- Financial summaries displaying the national financial condition:
 - i. a display of the proposed, total national expenditures, by cost categories, the total national resources anticipated from existing taxes and non-tax sources at existing rates, by resource categories (including the available fund balance or deficits and anticipated bond receipts), and the fund balance or deficit resulting therefrom for the fiscal year in progress and for the succeeding fiscal year;
 - ii. The changes proposed to the existing tax and non-tax rates, sources or structure, and the estimated cumulative increases or reductions, and the estimated fund balance or deficit in the succeeding fiscal year as a result of such proposed changes.

Proposals for changes in the existing tax and non-tax rates, sources or structure shall be made in every case where the proposed total national expenditures exceed the total national resources anticipated from existing tax and non-tax sources at existing rates. Such financial summaries shall be prepared for the total expenditures and resources and for the general fund and special fund portions thereof.

- A summary of the balances of each special fund, actual for the last completed fiscal year and estimated for the fiscal year in progress and for the succeeding fiscal year:
- A summary regarding bonds;
- A schedule of bonds;
- A schedule of projected debt service charges for general obligation bonds;
- A schedule of the current funded debt, legal debt limit and the legal debt margin, including the details thereof:

Separately for General Fund tax revenues, special fund tax revenues. General Fund non-tax revenues and special fund non-tax revenues:

- i. By kinds of taxes or sources, the amount of revenue from existing authorized taxes or sources at existing rates received in the last completed fiscal year and estimated to be received in the fiscal year in progress and in the succeeding fiscal year:
- ii. A summary of the proposed changes in the existing taxes or sources or rates, and the estimated increases or reductions in revenues in the succeeding fiscal year resulting from such changes; and
- iii. The total estimated revenues with and without the proposed changes.

Finally, the FMA allows for the proposed budget to include such other financial statements, information and data which in the opinion of the Cabinet are necessary or desirable in order to make known in all practical detail the programs, program plans, and financial conditions of the Republic.

National Strategic Plan 2020-2030

His Excellency, President David Kabua launched the National Strategic Plan (NSP) 2020–2030 in June 2020. The NSP is defined around five sectoral pillars which comprise 24 strategic areas in total. Each strategic area includes its own over-arching goal and related policy objectives.

Currently ongoing work is being completed to cost the NSP by Policy Objective. The following table outlines the five sectoral pillars and their corresponding strategic areas and policy objectives.

Table 1: Outline of the NSP Pillars, Strategic Areas and Policy Objectives

Pillars	Strategic Areas	Policy Objectives
1. Social and Culture	1. Health	7
	2. Education and Training	7
	3. Social Justice and Inclusion	4
	4. Culture and Traditional knowledge	4
2. Environment, Climate Change and Resilience	1. Atoll Environment	6
	2. Climate Change	5
	3. Disaster Risk Management	4
	4. Radiation Contamination	3
3. Infrastructure	1. Transport	3
	2. Energy	3
	3. Water and Sanitation	5
	4. Waste Management	5
	5. Information and Communication Technology	4
	6. Public Facilities	3
4. Economic Development	1. Land	4
	2. Agriculture	4
	3. Marine Resources	3
	4. Trade, Investment and Tourism	6
	5. Financial Sector and Services	3
5. Governance	1. Public Administration	5
	2. Public Financial Management	7
	3. Law, Justice and Public Safety	4
	4. Judiciary	3



	5. International Relations and Security	5
TOTAL	24 Strategic Areas	105

Emergency Responses

3.1 Overview of COVID-19 Response

The RMI has a well-established and comprehensive emergency readiness system which has been activated for the COVID-19 global pandemic. In the event of a disaster, the Chief Secretary activates the National Disaster Committee (NDC), which operates at the Emergency Operations Center (EOC). This system (NDEOC) coordinates with other national agencies who play a role in responding to the declared disaster.

Coordination of national agencies and partners is managed in part through a cluster system, coordinated by the NDMO on behalf of the CSO. Inter-cluster coordination is managed via the NDC and the NDMO. RMI operates a number of clusters, depending on the nature of the emergency.

His Excellency President David Kabua declared a State of Health Emergency for COVID19 on 7 February 2020, preparedness and response efforts are coordinated through the National Disaster Committee (NDC). The activation of the National Emergency Operation Center (NEOC) has initiated the RMI's Cluster system with activities focusing on health sector improvements, COVID19 economic impact, vulnerability assessments, and developing plans that focus on preparing the remote neighboring islands and atolls for COVID19.

The government approved the RMI Corona Virus (COVID-19) Pandemic Preparedness and Response Plan on 25 of March 2020. The purpose of the plan is to strengthen the preparedness in RMI to rapidly detect and respond to the potential introduction of COVID-19. The plan focuses on seven key components of the Framework of Action in the WHO Novel Corona virus Technical Guidance: (i) command and coordination; (ii) surveillance, risk assessment and response; (iii) laboratory; (iv) clinical case management and infection prevention and control; (v) public health intervention including points of entry measures; (vi) risk communication; and (vii) logistics, procurement, and supply management.

3.1.2 COVID-19 Response and the 2021/22 Budget

The RMI has received a total of \$57,466,897 to use towards COVID-19 relieve efforts. The largest donor was the Asian Development Bank providing over \$18 million in funding

support. As of August 21, 2021 over \$42 million has been expended or is encumbered with \$14 million remaining. The table below provides an overview of the funds received and expenditure activity to date.

Table 2: COVID-19 Funds and Expenditure

DESCRIPTION	BUDGET	EXPENDITURES
ADB BUDGET SUPPORT	12,500,000	5,484,171
PSS HOT LUNCH	1,932,829	1,932,829
PSS HOT LUNCH KWAJALEIN	500,766	510,846
HOT LUNCH FEED PRG.-N.ISL	873,091	873,091
COVID-19 (ROC) SUPPORT	1,000,000	879,975
COVID-19 (ADB)	6,000,000	5,198,524
COVID-19	2,248,625	2,001,692
COVID-19	1,000,000	716,874
COVID-19 CRISIS RESPONSE	1,103,263	750,487
COVID-19 (CARES)	3,894,720	3,008,010
CARES ACT KWAJ ATOLL CHC	853,055	606,704
COVID-19 SUPPLEMENT FUNDS	73,802	61,622
CARES ACT ADMIN	692,528	181,958
CARES ACT PUC	3,248,800	2,823,513
CARES ACT-FPUC	4,230,000	3,003,334
ELC CARES	408,616	143,142
ELC ENHANCING	3,883,209	1,125,354
BIOTERRORISM-HOSP PHEP	176,168	124,259
IMMUNIZATION COVID19	240,000	144,364
IMMUNIZATION COVID SUPPLE	3,146,299	63,211
ELC EMERGING DISEASES	50,000	9,957
HRSA LAN EB EYE	216,139	0
COVID-19 WORLD BANK	2,500,000	1,523,402
NZ BUDGET SUPPORT	800,000	0
IOM	686,027.00	686,027.00
US DEPARTMENT OF EDUCATION	1,900,000.00	1,900,000.00
IMMUNIZATION (CDC)	100,000.00	0.00
NPG	269,000.00	0.00
ADB104	104,960.00	104,960
EUROPEAN UNION	2,700,000.00	0
MOHHS UNICEF	92,000.00	0
MOHHS WHO	23,000.00	23,000.00
BALANCE	57,446,897	33,881,307

Economic Outlook

Strict travel restrictions and quarantine requirements since the onset of the coronavirus disease (COVID-19) pandemic have helped detect all four positive COVID-19 cases at the border but have also damaged economic activity. The prolonged border closure contributed to successive economic contractions. Following a decline of 5.5% in fiscal year (FY) 2020, the economy is projected to contract by a further 1.4% in FY2021, while exports and trans-shipment related to fisheries, and construction activity remain subdued.

The government has taken comprehensive fiscal measures to mitigate the economic impact of the Covid-19 pandemic. The size of the Covid-19 response plan was recently increased to 63 million USD (26.3 percent of GDP) for FY 20-21, from an initial envelope of 42 million USD (17.5 percent of GDP), with a view to strengthen health preparedness and support vulnerable groups. Development partners have so far provided grant financing 50 million USD (21 percent of GDP). Implementation of the package to date has reached 21 million USD (25 percent of GDP).

Revenue

5.1 Total Revenues

Total revenue in the budget is categorized into four areas: The General Fund, Compact Revenue, Special Revenue, and other revenues, which are mostly overseas development assistance (ODA) provided by RMI's development partners.

The budget saw a decrease from \$271,288,610 in FY21 to \$242,974,025 in FY22. This is mainly attributed to a decrease in General Fund Revenues and ODA. General Fund revenue decreased from \$90,718,722 (estimated) in FY21 to \$72,004,000. The overall decrease per revenue source is detailed in Table 3 below.

Table 3: FY2021 and FY2022 Revenue Variances

REVENUE SOURCE	FY2021	FY2022	VARIANCE
GENERAL FUND	75,577,979	72,004,000	(3,573,979)
COMPACT FUNDS	84,434,244	84,334,724	(99,520)
SPECIAL REVENUE FUNDS	11,123,295	10,972,162	(151,133)
OTHER DEVELOPMENT ASSISTANT FUND	100,153,092	5,663,139	(24,489,953)
TOTAL	271,288,610	242,974,025	(28,314,585)

5.1.1 General Fund Revenue Sources

In FY2021, total general fund revenue totaled to \$90,718,722. Due to the ongoing global pandemic, projections for FY2022 General Fund revenue is at \$72,004,00 – a decrease of \$18,714,722 or 21% reduction in total projected revenue. Table 4 below itemizes general fund revenue sources. Further, Figure 1 and 2 illustrates the differences between FY2021 and FY2022 in both Tax Items and Non-Tax Items.

Table 4: General Fund Total Revenue by Item

	2020/2021 ESTIMATE	2021/2022 BUDGET
TOTAL GENERAL FUND	90,718,722	72,004,000
TAX ITEMS	34,175,492	35,569,000
MARSHALLESE INCOME TAX	11,073,364	11,522,000
EXPAT INCOME TAX	4,894,377	5,889,000
BUSINESS GROSS REVENUE TAX	7,449,605	7,190,000
NON-RES'D BUSINESS GROSS INCOME	624,058	644,000
SECURED TRANSACTIONS	-	-
HOTEL/RESORT TAX	48,251	40,000
IMPORT TAX	7,591,464	7,319,000
IMPORT TAX - CMI	1,509,762	1,672,000
FUEL TAX	579,314	450,000
IMMOVABLE PROPERTY TAX	191,782	729,000
PENALTY & INTEREST	119,973	54,000
TAX AUDIT ADJUSTMENTS	93,542	60,000
NON-TAX ITEMS	56,543,230	36,435,000

Appropriation (Financial Year 2022) Act 2021

FISHING RIGHT (MIMRA REMITTANCE)	26,000,000	24,000,000
OTHER SALES, SERVICE & CHARGE FEES	69,199	50,000
SHIP REGISTRY (TCI)	7,921,815	8,000,000
FOREIGN OPERATION GRANT (ROC)	4,000,000	4,000,000
PORT AUTHORITY LAND LEASE SHARES	-	35,000
OTHER REVENUES	4,404,500	250,000
INTEREST INCOME	74,923	100,000
LOAN PROCEEDS	-	-
TRUST FUND D	2,500,000	-
RE-APPROPRIATED TRUST FUND/SPEC	-	-
ACCOUNTS RECEIVABLE	4,000,000	-
RE-APPROPRIATED ROC GRANTS	-	-
COMPACT TAX AND TRADE	5,000,000	-
OTHER FOREIGN GRANT ASSISTANCE	2,572,793	-



Figure 1: Tax Item Comparison FY2021 and FY2022



Figure 2: Non-Tax Item Comparison FY2021 and FY2022



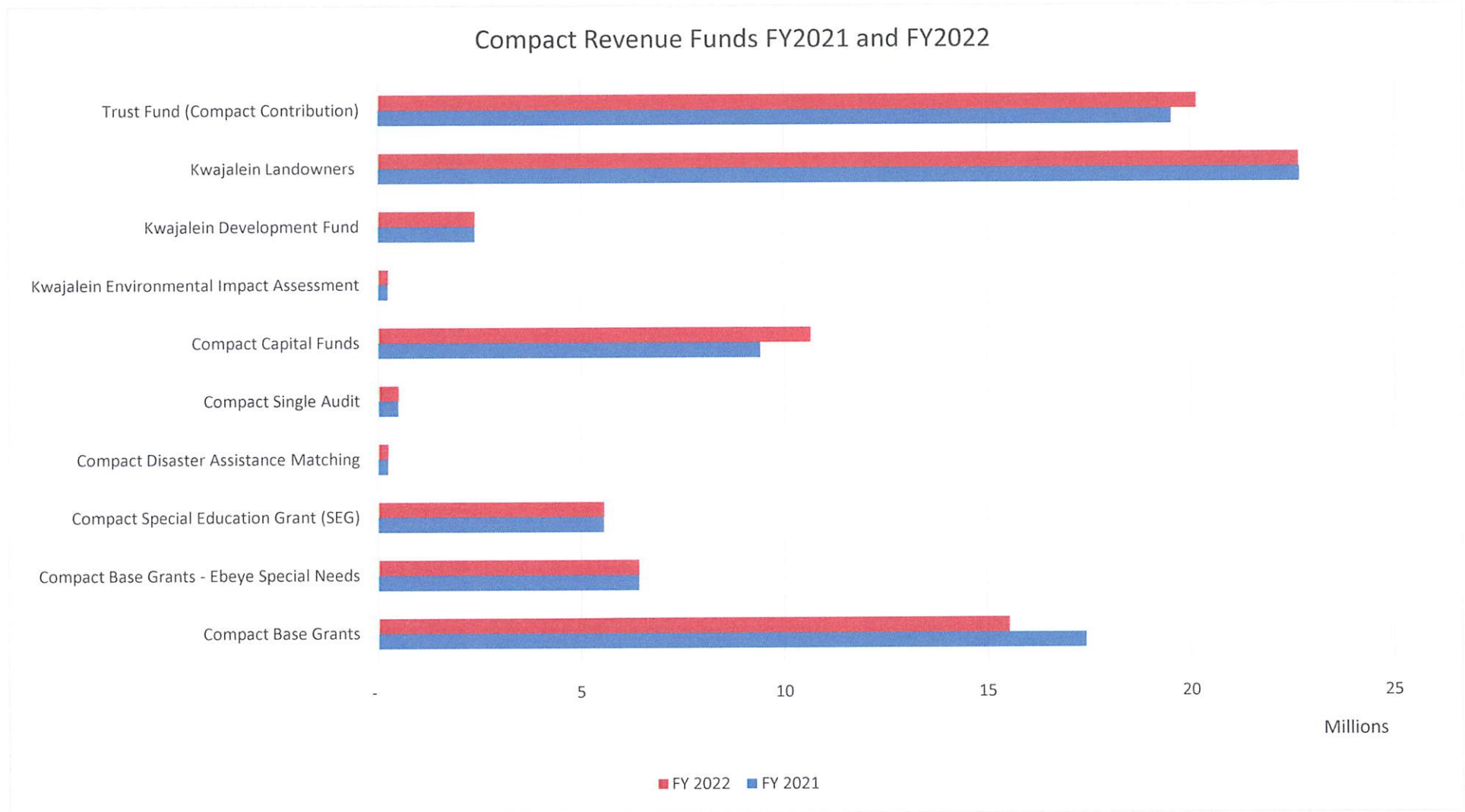
5.1.2 Compact Fund Revenue Sources

In FY2021, total compact fund revenue totaled to \$84,334,724. FY2022 sees a decrease in compact fund revenue by \$99,520. Table 5 outlines the type of compact revenue fund sources. Further, Figure 3 illustrates the differences between FY2021 and FY2022 in compact fund revenues.

Table 5: Compact Fund Revenue

	2020/2021 ESTIMATE	2021/2022 BUDGET
TOTAL COMPACT REVENUES	84,434,244	84,334,724
CMPT II 211(A) EDUCATION	10,450,788	9,316,453
CMPT II SUPPL EDUCATION GRANT	5,568,466	5,568,464
CMPT II 211(A) HEALTH	6,967,190	6,210,969
CMPT II 211(B) 1 EBEYE SPECIAL NEED	6,425,490	6,417,330
CMPT II 212 KWAJALEIN IMPACT FUND	2,393,810	2,390,770
CMPT II 211(D) PUBLIC INFRASTRUCTURE	8,334,500	10,112,958
CMPT II 211(D) INFRA MAINTENANCE FUND	1,083,390	532,260
CMPT II 211 (E) D.A.E.F. DISASTER FUND	251,980	251,660
CMP II 213(B) SINGLE AUDIT	500,000	500,000
CMPT II 212 KWAJALEIN LANDOWNER	22,678,200	22,649,400
CMPT II 216 TRUST FUND CONTRIBUTION	19,528,450	20,132,800
CMP II 211(A) KWAJALEIN ENVIRONMENTAL FUND	251,980	251,660

Figure 3: Compact Revenue Comparison FY2021 and FY2022



5.1.3 Special Fund Revenue Sources

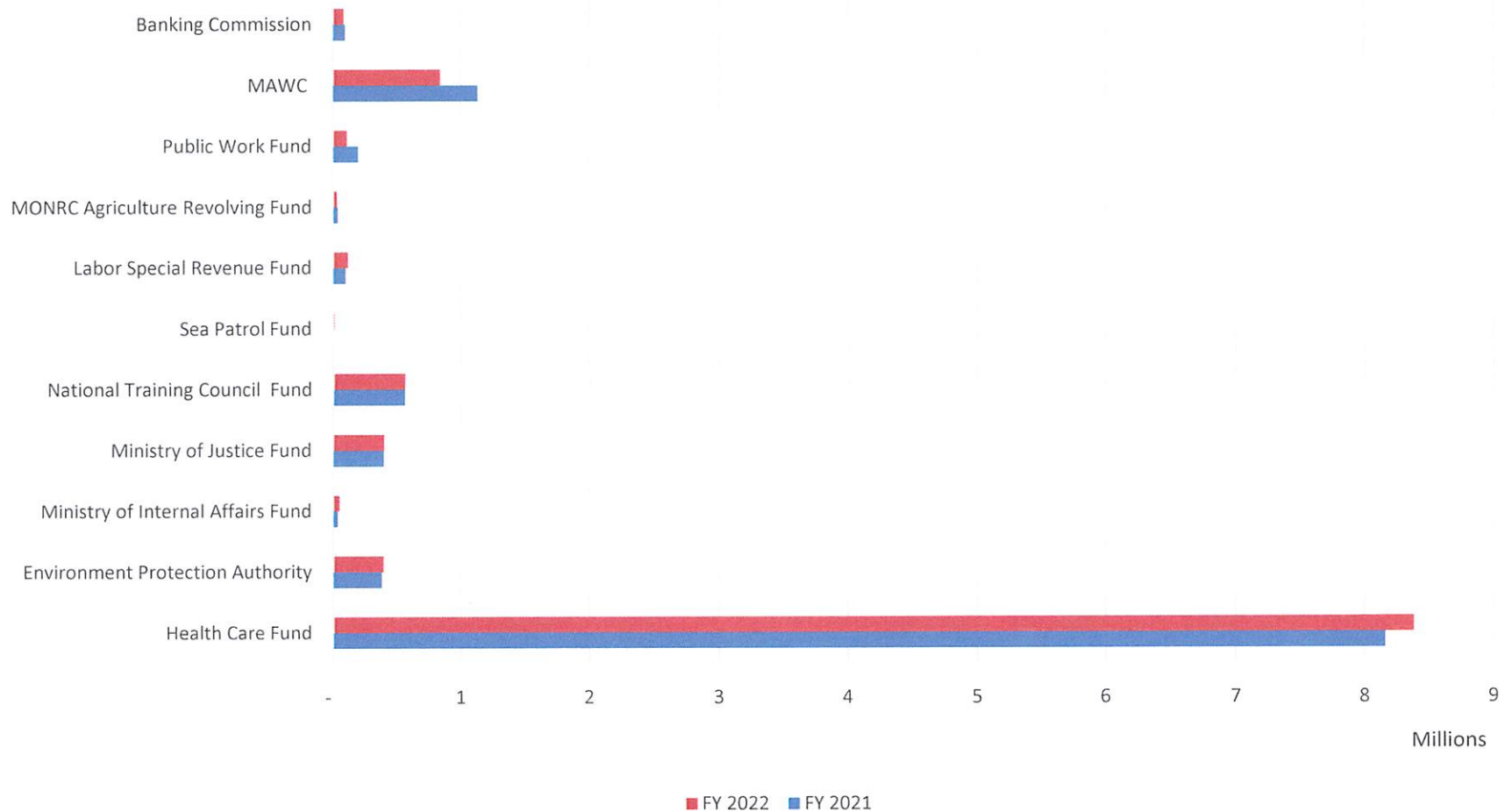
In FY2021, total special fund revenue totaled to \$11,123,295. FY2022 sees a decrease in special fund revenue by \$151,133. Table 6 outlines the type of special revenue fund sources. Further, Figure 4 illustrates the differences between FY2021 and FY2022 in special fund revenues.

Table 6: Special Revenue Funds

	2020/2021 ESTIMATE	2021/2022 BUDGET
<i>TOTAL SPECIAL REVENUE</i>	11,123,295	10,972,162
HEALTH CARE FUND	8,161,869	8,379,662
ENVIRONMENT PROTECTION AUTHORITY	383,444	393,000
MINISTRY OF INTERNAL AFFAIRS FUND	40,000	50,000
MINISTRY OF JUSTICE FUND	400,000	400,000
NATIONAL TRAINING COUNCIL FUND	560,000	560,000
SEA PATROL FUND	5,000	10,000
LABOR SPECIAL REVENUE FUND	100,000	115,000
MONRC AGRICULTURE REVOLVING FUND	40,000	30,000
PUBLIC WORK FUND	200,000	110,000
MAJURO ATOLL WASTE COMPANY	1,134,082	840,000
BANKING COMMISSION	98,900	84,500

Figure 4: Special Revenue Comparison FY2021 and FY2022

Special Revenue Funds FY2021 and FY2022



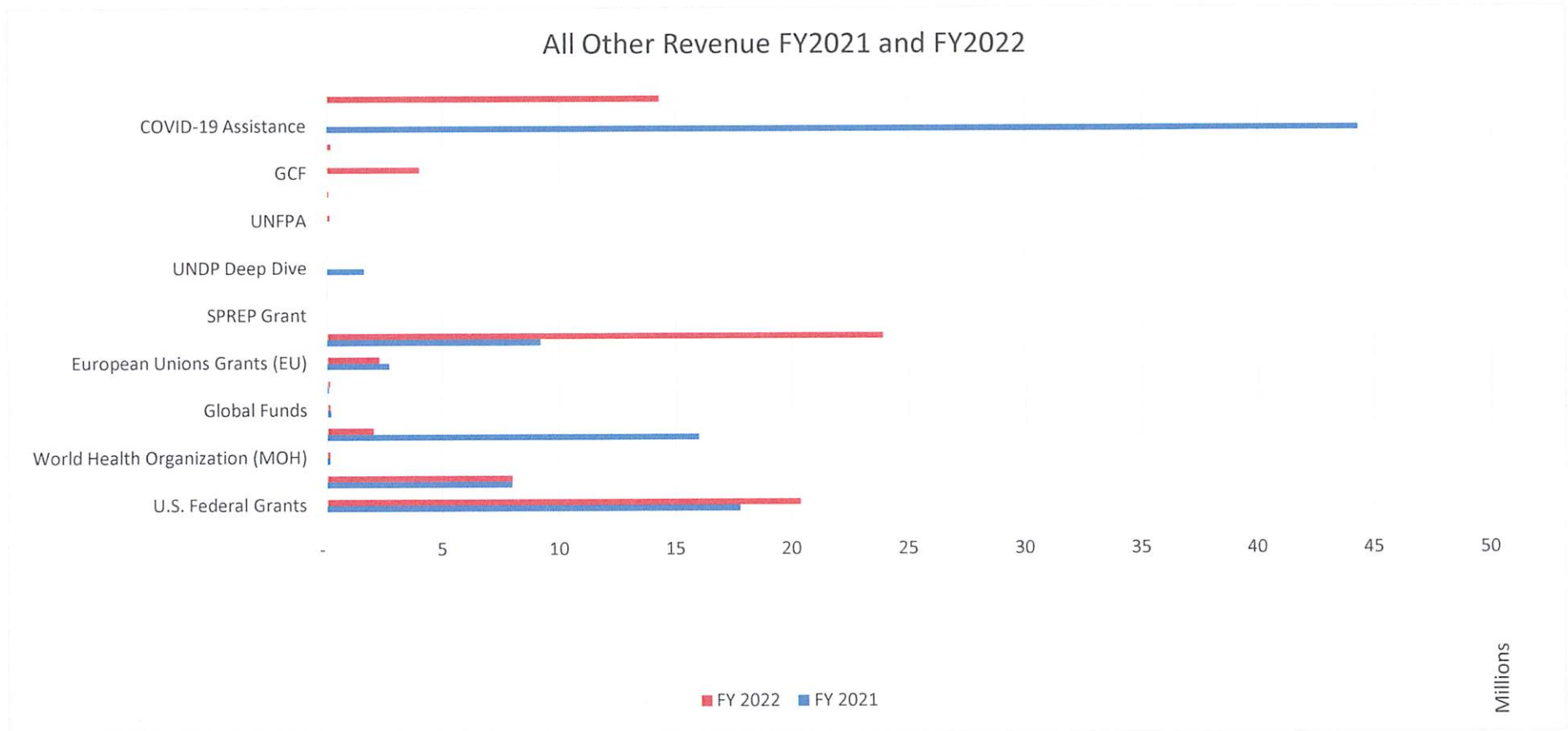
5.1.4 Other Development Assistance Revenue Sources

In FY2021, total ODA revenue totaled to \$100,153,092. FY2022 sees a 24% reduction bringing the total FY2022 ODA revenue to \$75,663,139. Table 7 outlines the type of ODA fund sources. Further, Figure 5 illustrates the differences between FY2021 and FY2022 in ODA revenue sources.

Table 7: Other Development Assistance Revenue

	2020/2021 ESTIMATE	2021/2022 BUDGET
TOTAL ALL OTHER REVENUE	100,153,092	75,663,139
U.S. FEDERAL GRANTS	17,788,974	20,372,790
ROC (TAIWAN) CAPITAL GRANTS	8,000,000	8,000,000
WORLD HEALTH ORGANIZATION (MOH)	144,800	125,570
ASIAN DEVELOPMENT BANK (ADB) GRANT	16,000,000	2,000,000
GLOBAL FUNDS	172,285	119,252
UH GRANT	85,527	99,437
EUROPEAN UNION GRANTS (EU)	2,700,000	2,249,891
WORLD BANK (WB)	9,210,000	23,900,000
SPREP GRANT	35,000	38,964
WRI NDC PARTNERSHIP	46,200	46,200
UNDP DEEP DIVE	1,620,000	-
IISD NAP GLOBAL NETWORK	30,000	30,000
UNFPA	-	125,000
SPC-SUPA	-	74,838
GCF	-	4,012,983
GEF	-	182,500
COVID-19 ASSISTANCE	44,320,306	-
CORONA VIRUS CAPITAL PROJECT FUND		14,285,714

Figure 5: ODA Comparison FY2021 and FY2022



6. Expenditure

6.1 Total Expenditure by Fund

Total expenditure in the budget is categorized into several component areas. Expenditure is financed from various sources, including the General Fund, Special Revenue, Compact Revenue, US Federal Grants, and ODA. Table 8 outlines each Ministry and Agency's expenditure per fund source. A snapshot of distribution by Ministry and Agency by fund source can be found in Figures 6 through 10 below.

Table 8: Total Budgeted Expenditures by Ministry/Agency per Fund Source

Ministry/Agency Budget Year 2021/22 and Fund Source

Total General Fund Expenditure	72,004,000	84,334,724	10,972,162	34,658,504	41,004,635	242,974,025
President and Cabinet	2,189,909					2,189,909
Ministry of Environment	643,107	251,660	1,233,000		23,060,538	23,188,305
Chief Secretary	1,138,035			745,800	1,400,000	3,283,835
Council of Iroij	524,621					524,621
Nitijela	2,162,665					2,162,665
Auditor General	569,233	500,000				1,069,233
Ministry of Foreign Affairs and Trade	4,224,738					4,224,738
Public Service Commission	557,524					557,524
Judiciary	1,186,253					1,186,253
Ministry of Health and Human Services	4,677,208	8,580,589	8,379,662	7,402,305	544,097	29,583,861
Ministry of Education Sports and Training	13,470,720	17,730,767	560,000	10,340,447	2,000,000	44,101,934
Ministry of Transport, Communications and IT	760,505				2,500,000	3,260,505
Ministry of Natural Resources and Commerce	1,853,446		30,000	50,000	1,500,000	3,433,446
Ministry of Culture and Internal Affairs	3,125,693		50,000	260,500	1,200,000	4,636,193
Ministry of Justice, Immigration and Labor	4,606,086		525,000			5,131,086
Ministry of Works, Infrastructure and Utilities	2,331,284	57,271,708	110,000		6,015,760	65,728,749
Ministry of Finance, Banking and Postal Services	2,875,714			1,573,738	2,784,243	7,233,692
Postal Services	198,648					198,648
Banking Commission	421,803		84,500			506,303
State-Owned Enterprises	7,363,512				7,363,512	
Special Appropriations	17,123,296					17,123,296
COVID-19 Assistance				14,285,714		14,285,714

Appropriation (Financial Year 2022) Act 2021

72,004,000	84,334,724	10,972,162	34,658,504	41,004,635	242,974,025
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Figure 6: General Fund Distribution by Ministry/Agency

General Fund Expenditure Distribution by Ministry/Agency

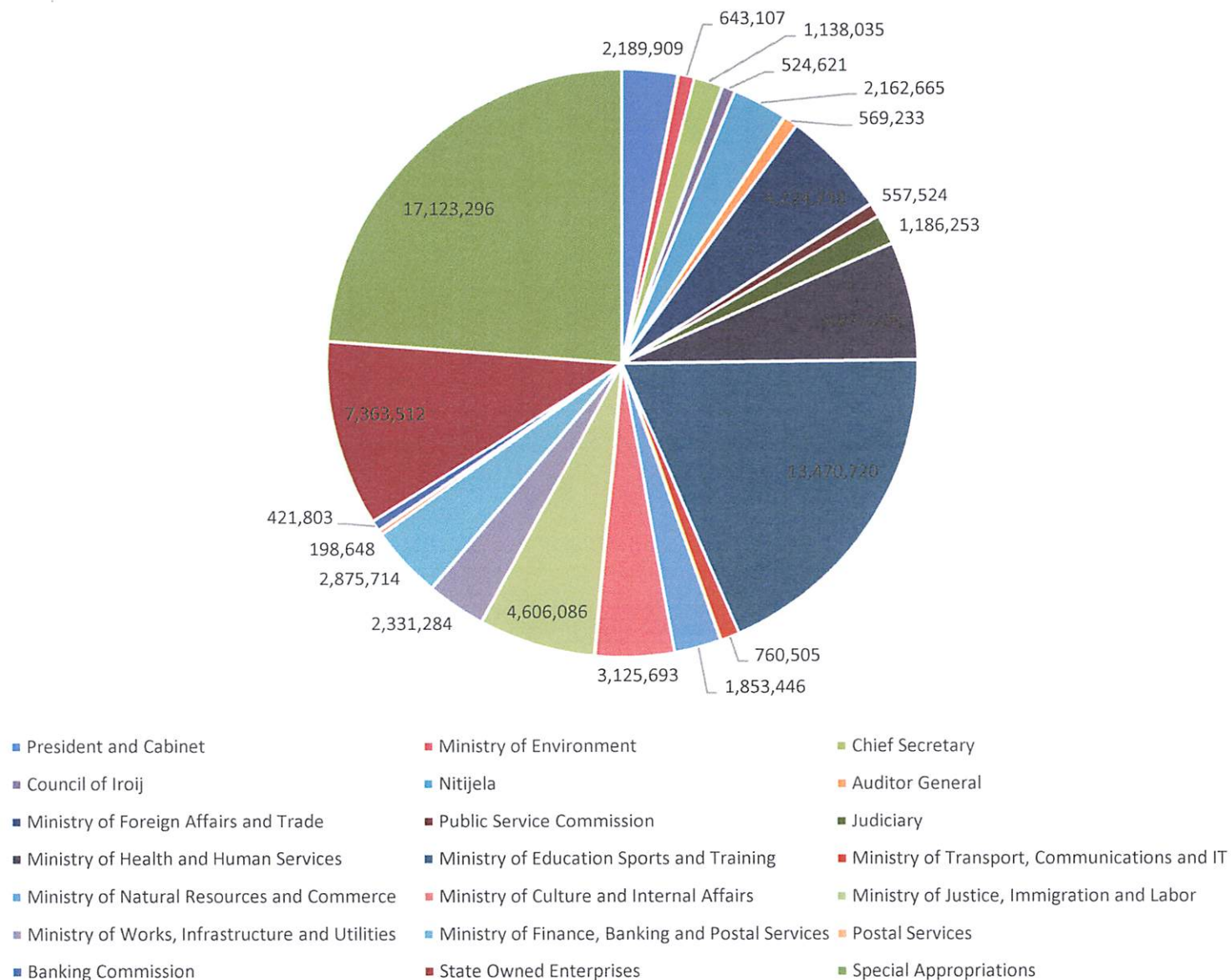


Figure 7: Compact Fund Distribution by Ministry/Agency

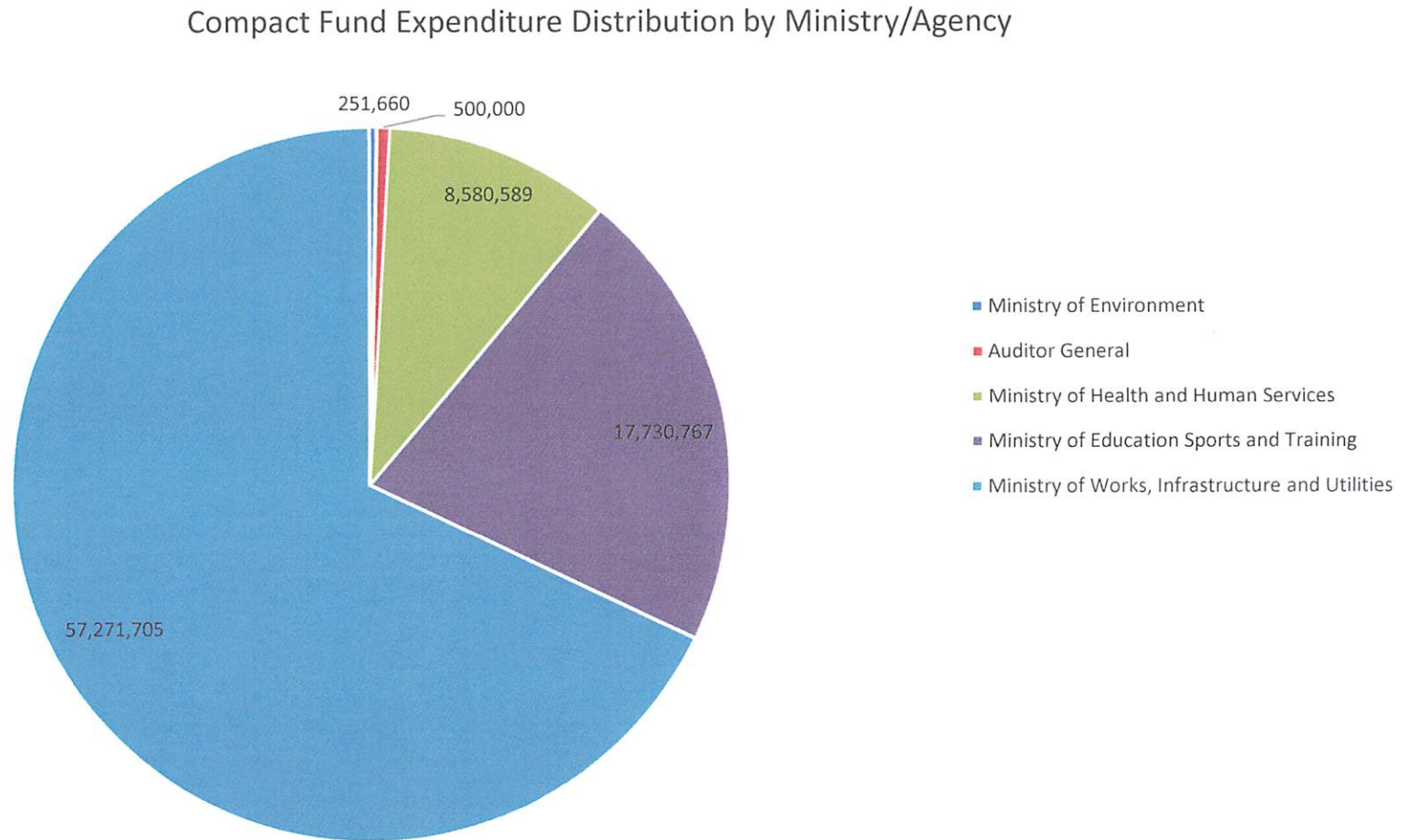


Figure 8: Special Revenue Fund Distribution by Ministry/Agency

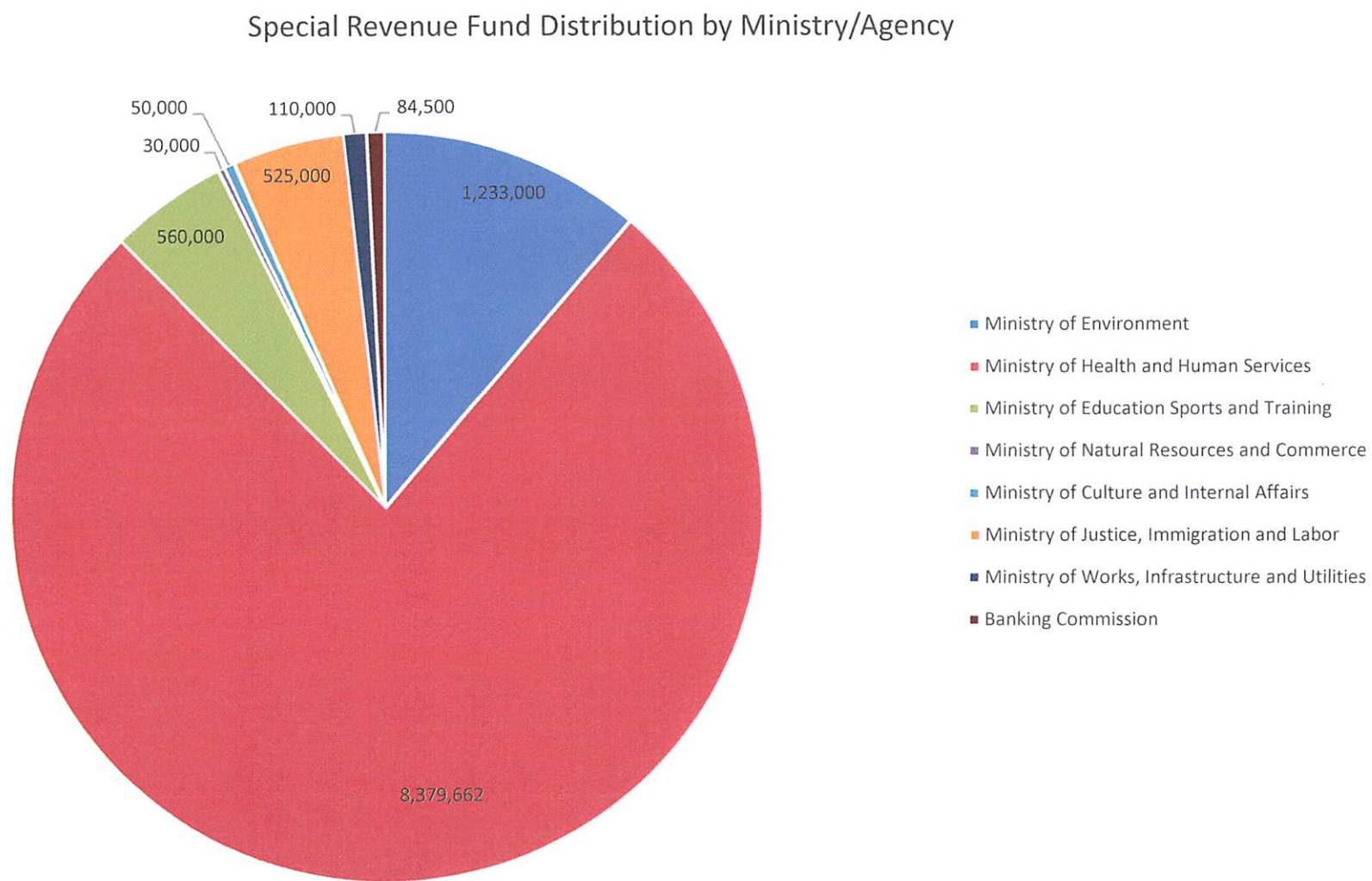


Figure 9: Federal Grant Revenue Fund Distribution by Ministry/Agency/Program

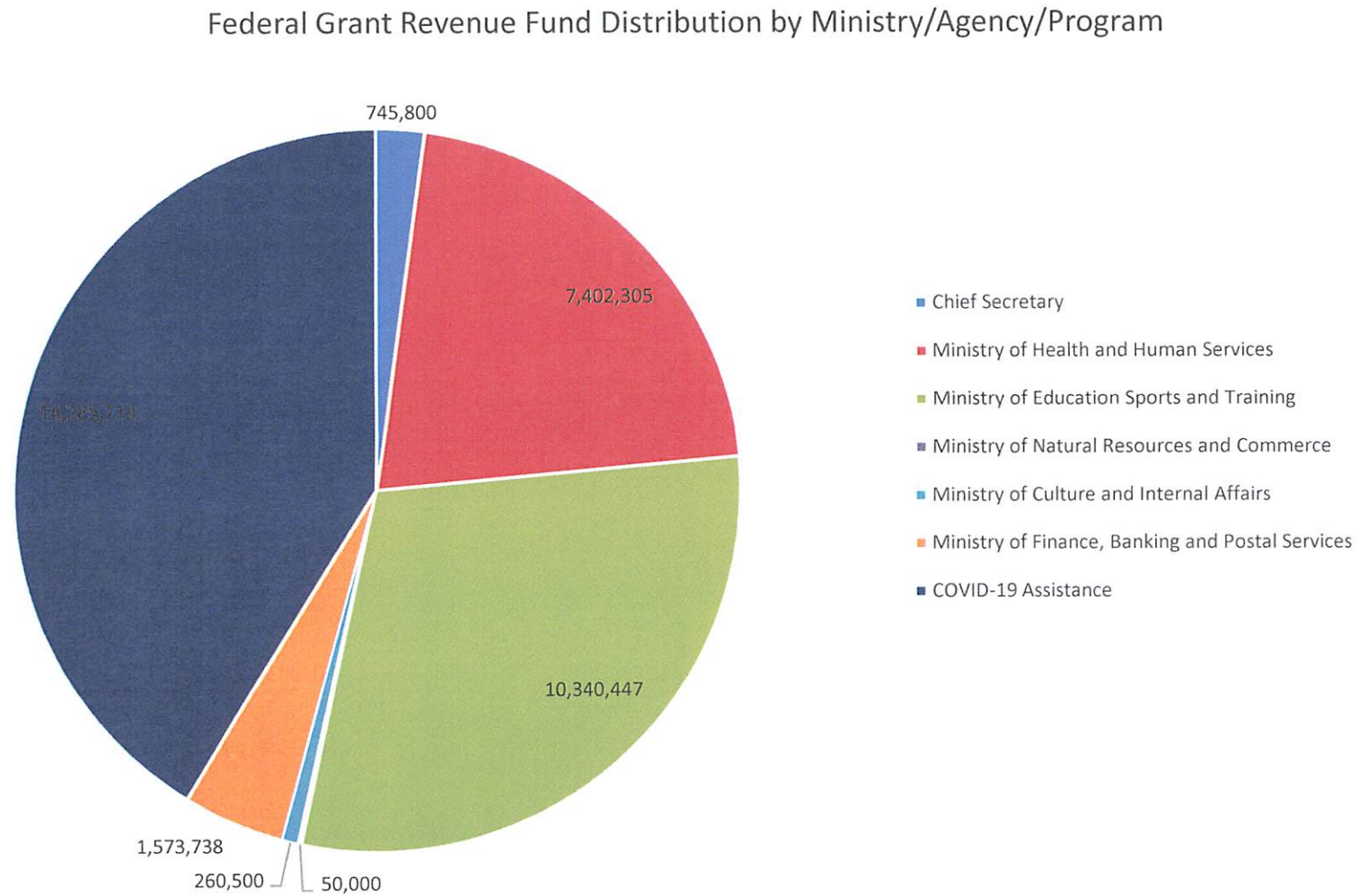
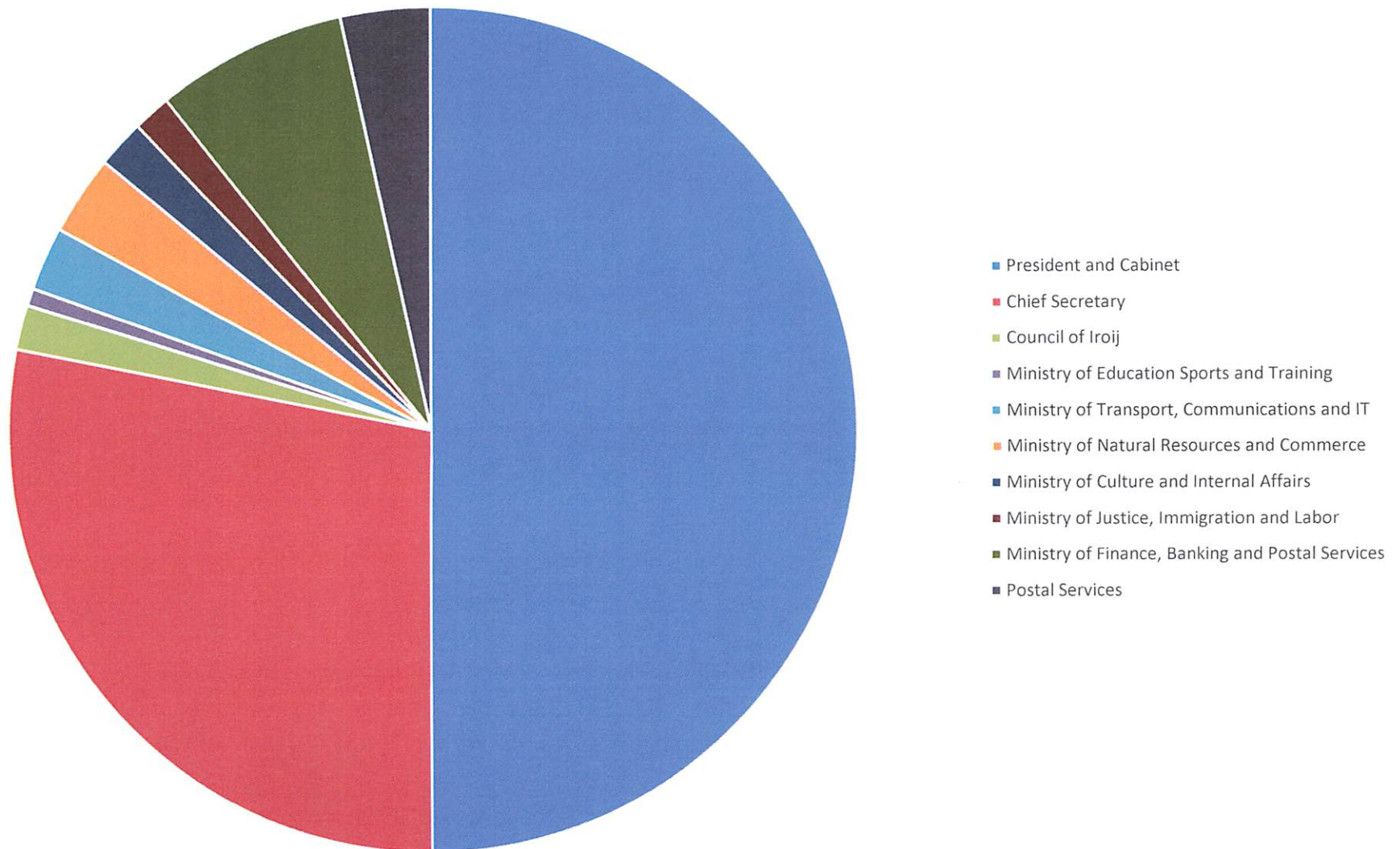


Figure 10: Other Development Assistance Fund Distribution by Ministry/Agency/Program

ODA Fund Distribution by Ministry/Agency



7. Fund Appropriation Details**7.1 General Fund Expenditure Budget Detail**

RECURRENT GENERAL FUND APPROPRIATIONS	FY2021	FY2022
	Budget	Budget
	SCHEDULE 1	SCHEDULE 1
PRESIDENT & CABINET	2,460,573	2,189,909
OFFICE OF THE PRESIDENT	678,500	603,865
PRESIDENT & MINISTERS	663,322	674,705
CABINET OPERATIONS	456,145	321,620
NATIONAL & INTERNATIONAL HOSTED CONFERENCES	148,800	132,432
SUSTAINABLE DEVELOPMENT GOALS (SDG'S)	93,000	82,770
MARSHALL ISLANDS COUNCIL OF NON- GOVERNMENTAL ORGANIZATIONS (MIGNOS)	93,000	82,770
NATIONAL NUCLEAR COMMISSION	327,806	291,747
MINISTRY OF ENVIRONMENT	665,875	643,107
CLIMATE CHANGE DIRECTORATE (CCD)	267,515	289,515
CLIMATE CHANGE DIRECTORATE (CCD) - EBEYE	31,422	32,482
ENVIRONMENTAL PROTECTION AUTHORITY (EPA)	173,757	153,707
NATIONAL ENERGY OFFICE (NEO)	193,181	167,403
CHIEF SECRETARY	1,232,359	1,138,035
ADMINISTRATION	488,693	438,434
DEPUTY CHIEF SECRETARY - EBEYE OFFICE	101,986	117,375
ECONOMIC POLICY PLANNING & STATISTICS OFFICE (EPPSO)	454,168	404,210
RED CROSS	128,340	114,223
CSO OVERHEAD ADMINISTRATIVE - WSO	59,172	63,793
COUNCIL OF IROIJ	589,462	524,621
ADMINISTRATION	150,035	131,932
COUNCIL OF IROIJ MEMBERS	439,427	392,689
NITIJELA	2,429,961	2,162,665

NTIJELA OPERATIONS	591,999	451,226
GENERAL MEMBERSHIP	1,341,348	1,247,048
SPEAKER'S CONTINGENCY	104,160	104,160
COMMITTEE EXPENSE	66,768	66,768
LEGISLATIVE COUNSELORS	138,514	138,514
SENATORS OFFICE ALLOWANCE & COMMUNICATIONS	187,172	154,949
AUDITOR GENERAL	577,791	569,233
ADMINISTRATION (0.8%)		
OFFICE OF THE AUDITOR GENERAL	77,791	69,233
SINGLE AUDIT MATCHING	500,000	500,000
MINISTRY OF FOREIGN AFFAIRS & TRADE	4,735,622	4,224,738
ADMINISTRATION	1,098,688	774,592
OFFICE OF COMPACT IMPLEMENTATION	164,050	61,250
WASHINGTON D.C. EMBASSY	640,776	600,291
RMI-USAKA OFFICE	115,079	102,328
HONOLULU CONSULATE	264,081	235,032
UNITED NATIONS MISSION - NEW YORK	504,242	448,775
JAPAN EMBASSY - TOKYO	524,594	466,889
ROC EMBASSY - TAIPEI	367,713	327,265
FIJI EMBASSY - SUVA	487,104	433,523
ARKANSAS CONSULATE	190,230	173,305
KOREA EMBASSY	72,084	274,224
GENEVA MISSION	306,981	327,264
PUBLIC SERVICE COMMISSION	626,432	557,524
PUBLIC SERVICE COMMISSION	148,190	146,632
PSC ADMINISTRATION	478,242	410,892
JUDICIARY	1,108,149	1,186,253
GENERAL COURTS	862,883	940,558
TRADITIONAL RIGHTS COURTS	143,735	143,735
COMMUNITY COURT	101,153	101,153
JUDICIAL SERVICE COMMISSION	378	807
MINISTRY OF HEALTH & HUMAN SERVICES	5,244,015	4,677,208
HEALTH ADMINISTRATION	1,526,087	1,259,953
HEALTH PLANNING & STATISTICS	178,011	157,955
MAJURO HOSPITAL MEDICAL SERVICES	2,503,351	2,475,734

KWAJALEIN ATOLL HOSPITAL SERVICES	540,562	540,562
PRIMARY HEALTH MEDICAL SERVICES	174,142	174,142
NEIGHBORING ISLANDS HEALTH SERVICES	14,662	14,662
BEHAVIORAL HEALTH SERVICES	30,200	30,200
WOUND CARE PROJECT	60,000	-
ENVIRONMENTAL HEALTH/HOSPITAL UNIT	24,000	24,000
HEALTH ASSISTANT TRAINING PROGRAM	43,000	-
MOH INFORMATION SYSTEM	150,000	-
MINISTRY OF EDUCATION, SPORTS, & TRAINING	14,122,495	13,470,720
NATIONAL BOARD OF EDUCATION	64,282	67,988
COLLEGE OF THE MARSHALL ISLANDS	1,860,000	1,547,531
CMI - CUSTOMARY LAW AND LANGUAGE COMMISSION	172,878	172,878
CMI - ENDOWMENT FUND	93,000	82,770
CMI - DISTANT LEARNING	232,500	206,925
SCHOLARSHIP BOARD	1,016,886	1,016,886
NATIONAL TRAINING COUNCIL	87,043	87,043
RMI/USP JOINT PROJECT	600,000	600,000
AID TO PRIVATE SCHOOL	795,000	795,000
ADMINISTRATION & HUMAN RESOURCES	832,998	826,992
LEADERSHIP & MANAGEMENT	319,933	317,379
POLICY, PLANNING & STANDARDS	233,258	262,833
ELEMENTARY EDUCATION & SUPPORT SERVICES	614,751	601,525
SECODARY EDUCATION & SUPPORT SERVICES	89,194	215,145
CONTRACTED TEACHERS	2,881,223	4,043,211
PROPERTY AND MAINTENANCE	309,155	314,330
PSS NEIGHBORING ISLANDS SCHOOL DISTRICT	126,367	137,551
PSS BUDGET & FINANCE	272,622	321,965
HOT LUNCH FEEDING PROGRAM - MAJURO	1,948,416	974,208
HOT LUNCH FEEDING PROGRAM - KWAJALEIN	504,804	252,402
HOT LUNCH FEEDING PROGRAM - NEIGHBORING ISLANDS	880,132	440,066
TEACHER, STANDARD, LICENSING BOARD	15,438	15,315
SPORTS & RECREATION	172,615	170,777
CMI - BILINGUAL PROGRAM	232,500	-

CMI - YOUTH SERVICE CORPS	139,500	-
MINISTRY OF TRANSPORTATION,	843,226	760,505
COMMUNICATIONS & IT		
ADMINISTRATION	428,306	391,227
DIRECTORATE OF CIVIL AVIATION	321,920	286,508
SUSTAINABLE TRANSPORT PROJECT (OKEANOS)	93,000	82,770
MINISTRY OF NATURAL RESOURCES & COMMERCE	2,107,199	1,853,446
ADMINISTRATION	437,109	367,496
AGRO-FORESTRY	396,176	373,976
QUARANTINE OFFICE	179,854	195,863
TRADE AND INVESTMENT	257,060	203,176
OFFICE OF COMMERCE AND INVESTMENT (OCI)	744,000	630,165
1 ISLAND 1 PRODUCT	93,000	82,770
MINISTRY OF CULTURE AND INTERNAL AFFAIRS	3,395,291	3,125,693
ADMINISTRATION	406,111	371,811
CULTURAL HISTORIC PRESERVATION OFFICE	42,709	-
LOCAL GOVERNMENT AFFAIRS	119,776	123,263
LOCAL GOVERNMENT FUND	611,233	611,233
GRANT IN AID	241,935	241,935
CHILD RIGHTS OFFICE	91,655	62,035
YOUTH SERVICES BUREAU	44,408	41,673
GENDER AND DEVELOPMENT	52,413	49,547
ELECTORAL ADMINISTRATION	81,284	84,320
V7AB RADIO DIVISION	241,542	230,314
CENTRAL ADOPTION ADMINISTRATION	48,635	43,972
EBEYE OFFICE	102,385	125,919
COMMUNITY DEVELOPMENT OFFICE	52,585	45,023
ALELE CORPORATION	166,183	166,183
DISABILITY OFFICE	40,378	34,450
CONSTITUTION DAY	60,450	15,608
NEIGHBORING ISLANDS ECONOMIC DEVELOPMENT FUND	304,284	270,813
REGISTRAR'S OFFICE	52,411	43,990
SENIOR CITIZENS OFFICE	26,279	22,450
HUMAN RIGHTS COMMITTEE	20,200	-
MIMA SUPPORT FUND CONFERENCE	47,281	-
LOCAL GOVERNMENT MAYORS	541,154	541,154

MINISTRY OF JUSTICE, IMMIGRATION, & LABOR	5,191,471	4,606,086
PUBLIC DEFENDER - MAJURO	223,796	199,178
PUBLIC SAFETY - MAJURO	2,103,166	1,871,818
PUBLIC SAFETY - EBEYE	524,038	466,394
SEA PATROL	664,080	633,751
SEARCH AND RESCUE	81,840	72,800
PAROLE BOARD	11,160	9,932
ATTORNEY GENERAL OFFICE	900,747	708,661
IMMIGRATION - MAJURO	247,643	220,402
IMMIGRATION - EBEYE	85,948	76,493
LABOR DIVISION - MAJURO	126,246	108,402
LABOR DIVISION - EBEYE	15,550	17,796
LAND REGISTRATION AUTHORITY	107,257	95,459
MICRONESIAN LEGAL SERVICES	100,000	125,000
 MINISTRY OF WORKS, INFRASTRUCTURE, & UTILITIES	 2,608,146	 2,331,284
ADMINISTRATION	451,168	453,613
CARPENTRY DEPARTMENT	236,212	223,843
ELECTRICAL & PLUMBING	172,917	144,874
LANDING CRAFT OPERATION	248,895	212,508
ROAD & GROUNDS	298,241	255,205
EQUIPMENT REPAIR & MAINTENANCE	432,198	400,671
PROJECT MANAGEMENT UNIT	99,944	158,095
LAND & SURVEY	109,610	102,204
PUBLIC WORKS PROJECT	80,000	-
EBEYE PUBLIC WORKS SUPPORT (KALGOV)	428,556	380,271
REPAIR & MAINTENANCE SUPPORT EBEYE (KALGOV)	50,405	-
 MINISTRY OF FINANCE BANKING & POSTAL SERVICES	 3,231,139	 2,875,714
SECRETARY'S OFFICE	258,809	305,991
ACCOUNTING & ADMINISTRATION	720,983	660,109
REVENUE DIVISION MAJURO	326,189	237,806
CUSTOM DIVISION	369,405	246,790

TREASURY DIVISION	79,057	77,360
BUDGET & PROCUREMENT	250,444	254,499
PROCUREMENT & SUPPLY DIVISION	229,806	264,914
FINANCE OFFICE - EBEYE	159,817	224,431
REVENUE/CUSTOM OFFICE - EBEYE	262,293	139,417
DIVISION OF INTERNATIONAL DEVELOPMENT ASSISTANCE	299,926	213,359
PMEU (HR & INTERNAL AUDIT UNIT)	140,507	124,308
SOE MONITORING UNIT	97,108	88,820
STATE AGENCY SAPT - MATCH	36,795	37,910
 POSTAL SERVICES	 223,200	 198,648
POSTAL SERVICE	223,200	198,648
 BANKING COMMISSION	 473,936	 421,803
ADMINISTRATION	473,936	421,803
 STATE-OWNED ENTERPRISES	 8,436,530	 7,363,512
MAJURO ATOLL WASTE COMPANY (MAWC)	404,030	359,587
AIRLINES OF THE MARSHALL ISLANDS (AMI)	757,500	674,175
MARSHALL ISLANDS SHIPPING CORPORATION (SUBSIDY)	1,775,000	1,129,750
MARSHALL ISLANDS SHIPPING MAINTENANCE FUND	-	450,000
NATIONAL TELECOMMUNICATION AUTHORITY	500,000	-
TOBOLAR COPRA PROCESSING COMPANY	5,000,000	4,750,000
 SPECIAL APPROPRIATIONS	 14,903,107	 17,123,296
MAJURO LANDOWNERS ELECTRICITY	3,382,046	3,820,000
LAND AND BUILDING LEASES	1,423,972	1,712,050
INTERNATIONAL SUBSCRIPTIONS/MEMBERSHIP FEES	468,000	468,000
ADB LOAN PAYMENT	4,000,000	2,532,000
MIDB LOAN PAYMENT	-	1,733,473
FEES PAYMENT (COMMITTEMENT FEES & BANK FEES)	150,000	150,000
CENTRALIZED UTILITY BILLS - MAJURO	830,000	600,000
CENTRALIZED UTILITY BILLS - EBEYE	50,000	50,000
LEASE HOUSING	150,000	120,000
PRIOR YEAR LIABILITY AND PROJECTS	1,582,397	140,456
CONTINGENCY FUND	200,000	200,000
MARSHALL ISLANDS SOCIAL SECURITY ADMINISTRATION (SUBSIDY)	1,600,000	1,400,000

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KWAJALEIN ATOLL DEVELOPMENT AUTHORITY	40,000	35,600
TRUST FUND CONTRIBUTION	250,000	-
EMPLOYEE PENSION FUND (GOVT SHARE)	200,000	200,000
KWAJALEIN SOLID WASTE	150,000	133,500
KWAJALEIN SEWAGE TRUCK	150,000	-
IMMOVABLEL TAX SHARE (KALG, JALG & WALG)	276,692	729,000
COMPACT NEGOTIATION		1,000,000
TRACK & FIELD		1,100,000
COPRA STABLIZATION FUND		999,217
TOTAL GENERAL FUND EXPENDITURES	75,205,979	72,004,000

7.2 Special Revenue Fund Expenditure Budget Detail

SPECIAL REVENUE EXPENDITURES	FY2021	FY2022
HEALTH CARE FUND	8,161,869	8,379,662
ENVIRONMENT PROTECTION AUTHORITY	383,444	393,000
MINISTRY OF INTERNAL AFFAIRS FUND	40,000	50,000
MINISTRY OF JUSTICE FUND	400,000	400,000
NATIONAL TRAINING COUNCIL FUND	560,000	560,000
SEA PATROL FUND	5,000	10,000
LABOR SPECIAL REVENUE FUND	100,000	115,000
MONRC AGRICULTURE REVOLVING FUND	40,000	30,000
PUBLIC WORK FUND	200,000	110,000
MAJURO ATOLL WASTE COMPANY	1,134,082	840,000
BANKING COMMISSION	98,900	84,500
TOTAL SPECIAL REVENUE EXPENDITURES	11,123,295	10,972,162

7.3 Compact Fund Expenditure Budget Detail

Compact Fund Expenditure Budget Detail

COMPACT FUNDS	FY2021	FY2022
AUDITOR GENERAL	500,000	500,000
SINGLE AUDIT	500,000	500,000
HEALTH	6,967,190	6,210,969
LEASE HOUSING	255,997	-
WASTE INCINERATOR	91,620	-
KUMIT WELLNESS	100,000	-
MAJURO HEALTH CARE SERVICES	3,428,379	3,255,874
PRIMARY HEALTH CARE SERVICES	301,085	301,085
NEIGHBORING ISLAND HEALTH DISPENSARIES	891,389	885,574
LEPROSY PROGRAM	137,086	149,086
TB PROGRAM	54,000	-
ONE STOP SHOP NCD	120,351	120,351
DENTAL PROGRAM	427,840	427,840
KWAJALEIN ATOLL HEALTH ADMINISTRATION	41,015	43,245
EBEYE PREVENTIVE SERVICES	122,677	130,412
EBEYE DENTAL SERVICES	76,477	-
KWAJALEIN ATOLL DISPENSARIES	28,462	-
KWAJALEIN ATOLL HEALTH CARE SERVICES	747,897	747,897
BEHAVIORAL HEALTH SERVICES	142,915	149,605
EBEYE SPECIAL NEEDS - HEALTH	2,269,742	2,369,620
EBEYE HOSPITAL	2,269,742	2,369,620



ENVIRONMENTAL SECTOR

KWAJALEIN ENVIRONMENTAL IMPACT ASSESSMENT

251,980

251,980

251,660

251,660

EDUCATION

COLLEGE OF THE MARSHALL ISLANDS (COMPACT DESIGNATED)

10,450,788

9,316,453

SCHOLARSHIP BOARD

987,003

987,003

PSS ADMINISTRATION & HUMAN RESOURCES

592,200

592,202

PSS BUDGET & FINANCE

31,362

32,690

MOE POLICY, PLANNING AND RESEARCH

90,846

90,846

MOE CURRICULUM INSTRUCTIONS AND ASSESSMENT

69,000

69,000

ELEMENTARY EDUCATION AND SUPPORT SERVICES

9,000

9,000

MAJURO MIDDLE SCHOOL

3,700

3,700

ELEMENTARY EDUCATION - UES

427,383

422,945

ELEMENTARY EDUCATION - RES

246,309

239,574

ELEMENTARY EDUCATION - DES

276,583

276,583

ELEMENTARY EDUCATION - APES

415,131

424,001

ELEMENTARY EDUCATION - WES

147,279

150,646

ELEMENTARY EDUCATION - LES

111,121

110,006

ELEMENTARY EDUCATION - RRES

176,039

184,909

ELEMENTARY EDUCATION- LIES

245,763

247,993

ELEMENTARY EDUCATION - EES

92,266

86,741

ELEMENTARY EDUCATION - EPES

43,470

43,470

ELEMENTARY EDUCATION NORTHERN SCHOOL DISTRICT

480,702

489,951

ELEMENTARY EDUCATION SOUTHERN SCHOOL DISTRICT

626,461

163,033

ELEMENTARY EDUCATION EASTERN SCHOOL DISTRICT

554,268

390,363

ELEMENTARY EDUCATION WESTERN SCHOOL DISTRICT

422,438

233,978

ELEMENTARY EDUCATION CENTRAL SCHOOL DISTRICT

154,399

78,479

SECONDARY EDUCATION AND SUPPORT SERVICES

389,022

246,301

SECONDARY EDUCATION - MIHS

24,280

24,280

SECONDARY EDUCATION - LHS

1,500,312

1,461,594

SECONDARY EDUCATION - JHS

477,944

456,759

SECONDARY EDUCATION - NIHS

654,769

630,724

SECONDARY EDUCATION - KAHS

623,946

597,320

MOE PROPERTY & MAINTENANCE

488,247

482,817

89,545

89,545

EBEYE SPECIAL NEEDS - (EDUCATION)	2,725,899	2,845,850
ELEMENTARY AND SECONDARY SCHOOLS	2,400,899	2,520,850
KWAJALEIN SCHOLARSHIP	200,000	200,000
ADULT EDUCATION - CMI	125,000	125,000
 SUPPLEMENTAL EDUCATION GRANT (SEG)	 5,568,466	 5,568,464
NATIONAL TRAINING COUNCIL	403,750	403,750
INDUSTRIAL ARTS & LIFE SKILLS PROGRAM	364,386	364,386
SCHOOL ENRICHMENT PROGRAM	161,921	174,370
ELEMENTARY SCHOOLS EQUIP, SUPPLIES AND MATERIALS	420,000	420,000
SECONDARY SCHOOLS EQUIP, SUPPLIES AND MATERIALS	123,000	123,000
SCHOOL ACCREDITATION	197,935	197,935
HIGH SCHOOL PRACTICUM PROGRAM	20,000	20,000
SECONDARY TEXTBOOK	95,000	95,000
MUSIC/ARTS PROGRAM	34,175	34,175
STUDENT EXCHANGE PROGRAM	7,900	7,900
SCHOOL DEBATE PROGRAM	22,084	22,084
MAJOLIZING THE CURRICULUM (PRE-NINTH)	193,447	193,447
ADULT EDUCATION AND LITERACY (CMI)	288,325	288,325
CLOSE UP PROGRAM	26,000	26,000
INSTRUCTIONAL TECHNOLOGY SUPPORT	179,058	182,401
INSTRUCTIONAL SERVICE CENTER	105,168	105,168
PROFESSIONAL DEVELOPMENT	521,425	499,337
MOE CONTRACTUAL	338,821	338,821
ELEMENTARY TEXTBOOK	18,363	18,363
KINDERGARTEN PROGRAM	1,748,835	1,755,129
SCHOOL LEARNING GARDEN	20,000	20,000
MOE DATA IMPROVEMENT PROJECT	278,873	278,873



TOTAL COMPACT SECTOR GRANTS
COMPACT CAPITAL FUND

EBEYE PUBLIC SCHOOL PHASE 3 (12 CLASSROOMS) PHASE 4

LAURA HS 4 CLASSROOMS

RITA PROPOSED HEALTH CLINIC

EBEYE HOSPITAL PLUMBING

COLLEGE OF THE MARSHALL ISLANDS

PSS SCHOOLS PREVENTIVE MAINTENANCE

PSS SCHOOLS & MOH HEALTH CENTER REPAIRS

MAJURO AND EBEYE HOSPITALS MAINTENANCE

PMU OPERATION

EBEYE ROAD REPAIR/ CAUSEWAY (ASPHALT PAVING)

SANTO ELECTRIC CABLE (ROI-NAMUR TO SANTO - INITIAL FUND)

EBEYE SPECIAL NEEDS - CAPITAL

EBEYE MASTER LAND LEASE

EBEYE SEAWALL PHASE 3 (MID CORRIDOR, EBEYE HOTEL & DIY SITE)

EBEYE CAUSEWAY IMPROVEMENT PHASE 2 SECTION 1-3

PW GARAGE ROOF REPAIR

MID CORRIDOR ISLANDS/ ENMAAT, ERU, & NEL SHELTERS

MID CORRIDOR HOUSING STAGE 2B (MATCHING FUND)

SANTO SEAWALL (ADDITIONAL)

OTHER COMPACT DESIGNATED

KWAJALEIN LANDOWNERS

COMPACT DISASTER GRANT

COMPACT TRUST FUND

KWAJALEIN IMPACT FUND

EBEYE PROJECT MANAGEMENT UNIT (PMU)

MID CORRIDOR HOUSING STAGE 2

MID CORRIDOR UTILITIES

POWER GENERATION SUPPORT & MAINTENANCE- KAJUR

28,734,065

27,063,016

9,417,890

10,645,218

3,155,000

3,155,000

1,000,000

2,800,000

550,000

-

500,000

-

500,000

500,000

743,390

1,278,458

500,000

532,260

340,000

250,000

629,500

629,500

1,500,000

-

-

1,500,000

1,429,849

1,201,860

382,000

389,000

300,000

300,000

500,000

-

100,000

-

147,849

-

-

312,860

-

200,000

42,458,630

43,033,860

22,678,200

22,649,400

251,980

251,660

19,528,450

20,132,800

2,393,810

2,390,770

200,000

200,000

1,254,880

1,251,840

275,000

275,000

663,930

663,930

TOTAL COMPACT EXPENDITURES

84,434,244

84,334,724

7.4 US Federal Grants Expenditure Budget Detail

	FY2021	FY2022
U.S. FEDERAL GRANT DETAILED EXPENDITURES		
MINISTRY OF HEALTH & HUMAN SERVICES	6,910,116	5,665,254
PACIFIC BASIN HEALTH INITIATIVE (PBHI - EBeye CHC)	841,527	-
COMMUNITY MENTAL HEALTH SERVICES (CMHS ADMIN)	8,894	-
COMMUNITY MENTAL HEALTH SERVICES (CMIHS MAJURO)	276,750	-
COMMUNITY MENTAL HEALTH SERVICES (CMHS EBeye)	37,786	-
PREVENTIVE & CONTROL CHRONIC DISEASE	230,000	-
PREVENTIVE HEALTH & HEALTH SERVICES (PHHS BLOCK GRANT)	40,941	-
MCHB SSDI	50,000	-
FAMILY PLANNING TITLE X	150,000	-
EPIDEMIOLOGY & LABORATORY CAPACITY FOR INFECTIOUS(ELC-EPI,LAB,HIT)	3,103,000	-
RYAN WHITE PROGRAM	100,787	-
HIV SURVEILLANCE	17,070	-
RMI HIV PREVENTIVE - MAJURO	175,872	-
RMI STD CPS - MAJURO	136,660	-
RMI TB HR	27,984	-
RMI TB P&C - MAJURO	169,497	-
RMI TB P&C - EBeye	59,875	-
RMI TB LAB - MAJURO	24,655	-
VIRAL HEPATITIS	10,000	-
MATERNAL & CHILD HEALTH (MCHS - COMP A, B & C)	80,250	-

MATERNAL & CHILD HEALTH (MCHS - COMP ADMIN)	8,917	-
BIOTERRORISM PREPAREDNESS - MAJURO HOSP	176,168	-
HOSPITAL PREPAREDNESS PROGRAM	269,480	-
PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP)	409,243	-
CANCER PROGRAM	504,760	-
BUREAU OF PRIMARY HEALTH CARE (PHC)		3,089,243
BUREAU OF KWAJ ATOLL HEALTH CARE SERVICES (KAHCS)		1,122,035
BUREAU OF PREPAREDNESS (OHPPPE)		1,453,976
177 HEALTH CARE PROGRAM	1,656,005	1,737,051
MINISTRY OF EDUCATION, SPORTS & TRAINING	6,211,328	10,340,447
SPECIAL EDUCATION PROGRAM	1,682,329	1,682,329
CMI FEDERAL GRANT	4,528,999	8,658,118
MINISTRY OF NATURAL RESOURCES & COMMERCE	64,000	50,000
AGRO-FORESTRY PROGRAM	64,000	50,000
MINISTRY OF FINANCE, BANKING & POSTAL SERVICES	2,059,600	1,573,738
177 FOUR ATOLL FEEDING PROGRAM	574,000	574,000
SUBSTANCE ABUSE PREVENTION & TREATMENT BLOCK GRANT(SAPT)	1,485,600	999,738
CHIEF SECRETARY OFFICE	637,925	745,800
WEATHER STATION OFFICE	637,925	695,800
EMERGENCY MANAGEMENT		50,000
MINISTRY OF CULTURE & INTERNAL AFFAIRS	250,000	260,500
HISTORIC PRESERVATION OFFICE	250,000	260,500
CORONA VIRUS CAPITAL PROJECT FUND		14,285,714

WIU		4,761,905
MOHHS		4,761,905
MOCIA		4,761,904
TOTAL U.S FEDERAL GRANT EXPENDITURES	17,788,974	34,658,504

7.5 Other Development Assistance

OTHER DEVELOPMENT ASSISTANCE EXPENDITURES	FY2021	FY2022
ASIAN DEVELOPMENT BANK (ADB) GRANT	16,000,000	2,000,000
SOLID WASTE PROJECT	4,000,000	
MAJURO WATER & SANITATION PROJECT	10,000,000	
PUBLIC FINANCIAL MANAGEMENT PROJECT (ADDITIONAL FINANCING)	2,000,000	-
REHABILITATION OF EBETE ROADS (EWSSP) PROJECT	-	2,000,000
EUROPEAN DEVELOPMENT FUND	2,700,000	2,249,891
EDF11 ENERGY OFFICE	1,023,374	1,065,961
MARSHALL ENERGY COMPANY (EDF11 SUPPORT REFORM ENERGY SECTOR)	520,000	520,000
KAJUR (EDF11 SUPPORT REFORM ENERGY SECTOR)	663,930	663,930
EDF11 SUPPORT REFORM ENERGY SECTOR	492,696	-
WORLD BANK INTERNATIONAL DEVELOPMENT ASSISTANCE	9,210,000	23,900,000
PACIFIC RESILIENCE PROJECT (PREP) II	1,500,000	1,500,000
PACIFIC ISLANDS REGIONAL OCEANSCAPE PROGRAM (PROP)	1,850,000	-
SUSTAINABLE ENERGY DEVELOPMENT PROJECT	2,000,000	15,000,000
MARSHALL ISLANDS MARITIME INVESTMENT PROJECT	1,000,000	1,500,000
EARLY CHILD DEVELOPMENT PROJECT	1,500,000	1,000,000
TELECOM AND ICT DEVELOPMENT PROJECT	360,000	-



PROJECT FOR ACTIVITY PERFORMANCE IN FINANCIAL MANAGEMENT	1,000,000	1,500,000
DIGITAL RMI	-	1,000,000
EDUCATION AND SKILLS	-	1,000,000
COVID-19 - CSO	-	1,400,000
OTHER SMALL GRANTS	402,612	544,097
MINISTRY OF HEALTH & HUMAN SERVICES (GLOBAL FUNDS)	172,285	119,252
MINISTRY OF HEALTH & HUMAN SERVICES (WORLD HEALTH ORGANIZATION)	144,800	125,570
MINISTRY OF HEALTH & HUMAN SERVICES (UH GRANT)	85,527	99,437
MINISTRY OF HEALTH & HUMAN SERVICES (UNFPA)	-	125,000
MINISTRY OF HEALTH & HUMAN SERVICES (SPC-SUPA)	-	74,838
SPREP - CLIMATE CHANGE DIRECTORATE	35,000	38,964
WRI (NDC PARTNERSHIP - CLIMATE CHANGE DIRECTORATE)	46,200	46,200
UNDP DEEP DIVE - CLIMATE CHANGE DIRECTORATE	1,620,000	-
IISD (NAP GLOBAL NETWORK - CLIMATE CHANGE DIRECTORATE)	30,000	30,000
GCF (WSO, MOH, READINESS - CLIMATE CHANGE DIRECTORATE)	-	4,012,983
GEF (3RD UNFCCC) - CLIMATE CHANGE DIRECTORATE)	-	182,500
ROC CAPITAL PROJECTS	7,900,000	8,000,000
MINISTRY OF CULTURE & INTERNAL AFFAIRS	1,200,000	1,200,000
NEIGHBORING ISLANDS ECONOMIC DEVELOPMENT FUND	1,200,000	1,200,000
MINISTRY OF WORKS, UTILITIES & INFRASTRUCTURE	4,055,633	4,015,760
SEAWALL	944,633	472,760
ROADS	500,000	500,000
KWAJALEIN ATOLL COMMUNITY DEVELOPMENT PROJECT (KALGOV)	500,000	400,000
MAJURO DEVELOPMENT PROJECT (MALGOV)	400,000	400,000
MAJURO WATER AND SEWER COMPANY	300,000	-

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NEIGHBORING ISLANDS AIRPORT, RUNWAY & ROADS IMPROVEMENT	500,000	500,000
LAND FILL EXTENSION- MAJURO	500,000	-
NITIJELA MAINTENANCE	100,000	50,000
CHIEF SECRETARY'S & FINANCE BUILDING	25,000	25,000
NEW YORK EMBASSY REPAIR	286,000	-
EBEYE COURT HOUSE BUILDING 2ND & FINAL PHASE	-	400,000
ICC MAINTENANCE	-	270,000
WASHINGTON EMBASSY - (RESIDENCE)	-	286,000
LIB ISLAND PASS/DOCK PROJECT FINAL PHASE	-	312,000
LCM JOKOMON - REPAIR & MAINTENANCE	-	100,000
EBEYE REPAIR MAINTENANCE - KALGOV	-	200,000
EBEYE SEAWALL		100,000
MINISTRY OF NATURAL RESOURCES & COMMERCE	1,350,000	1,500,000
TOBOLAR COPRA PROCESSING COMPANY	1,000,000	1,500,000
LAURA FARM & NRC AGRICULTURE PLAN	350,000	-
MINISTRY OF FINANCE, BANKING & POSTAL SERVICES	1,294,367	1,284,240
COMMUNITY DEVELOPMENT PROJECT	500,000	500,000
DISASTER MATCHING	251,980	251,980
INFRASTRUCTURE MATCHING FUND	542,387	532,260
COVID-19 ASSISTANCE	44,320,306	-
TOTAL OTHER DEVELOPMENT ASSISTANCE EXPENDITURES	82,264,118	41,004,635

8. Annex Economic Policy Statement Overview

The Economic Policy Statement is currently being prepared for review and consideration. The EPS will be presented during the Appropriation Committee Hearings. The EPS is designed to improve public financial management

Background

In June 2021 the RMI approved updated Fiscal Responsibility and Debt Management Act. The objective of the fiscal responsibility and debt management legislation is to ensure more effective governance and alignment of budgeting with the National Strategic Plan (NSP). The outcome will be improved public financial management. The legislation provides for the annual presentation of an Economic Policy Statement to Nitijela by the Minister of Finance. The primary elements of said statement include:

- I. an assessment of the extent to which the economic and fiscal update prepared under the Act is consistent with the short-term intentions referred in the Act; and
- II. if the economic and fiscal update departs from those short-term intentions, an explanation of the reasons for the departure.

Additionally, the Act states that the economic policy statement shall also include:

- (a) scenarios that:
 - (i) contain projections of trends in the variables set out in the Government's medium-term objectives and where prescribed, long-term objectives, for fiscal policy, which projections shall illustrate, for stated assumptions, likely future progress towards achieving the medium-term objectives and long-term objectives);
 - (ii) explain the reasons for any differences from previous scenarios;
- (b) an assessment of the consistency of the scenarios with the medium-term objectives, and where prescribed, long-term objectives; and
- (c) if the scenarios depart from the medium-term objectives or long-term objectives, an explanation of the reasons for the departure.

The Economic Policy Statement provides clear strategic directions for economic and development progress.

The is Economic Policy Statement provides direction for the Government to pursue economic policy objectives in accordance with the principles of responsible fiscal management as presented in the Fiscal Responsibility and Debt Management Act (2020) including:

- Reducing total debt to levels that will provide a buffer against factors that may impact adversely on the level of total debt in the future
- Maintaining debt levels by ensuring that, on average, total operating expenses do not exceed total operating revenues;

- Achieving and maintaining levels of total net worth that provide a buffer against factors that may impact adversely on total net worth in the future
- Managing the fiscal risks facing the Government