

Micronesia Center for a Sustainable Future

FIRST PLANNING MEETING OF DESIGNATED REPRESENTATIVES

BRIEFING BOOK

Koror, Palau. October 5-6, 2010.



FIRST PLANNING MEETING OF DESIGNATED REPRESENTATIVES FOR THE MICRONESIA CENTER FOR A SUSTAINABLE FUTURE

(October 5-6, 2010, Koror, Palau)

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DRAFT AGENDA

Tuesday, October 5, 2010, Morning Session, 9:00 a.m.

I. Opening and Welcoming Remarks:

- Hon. Marion Henry, FSM (on behalf of MCES Secretary General)
- Mr. Jason Aubuchon, Graduate School, Program Manager
- Introduction of all participants
- Adoption of Draft Agenda

II. MCES and MCSF Background and Status Update

- Summary of Planning Meeting Booklet contents
- Timeline briefing of MCES and MCSF creation and developmental steps to-date
- The DOI/OIA award of funding for "Inception Activities" of the MCSF
- The Graduate School's Role

III. Open Forum

- Roundtable for designated representatives to identify their experiences to-date with MCES/MCSF
- Focus Group Discussions (2) on:
 1. The Opportunity--What Roles, Responsibilities and Areas of Activity do you currently understand to be undertaken by MCSF? What is not being done that could/should be considered?
 2. The Challenge--What Issues of Concern are you aware of NOW and what Obstacles to Success to you foresee for MCSF?
 3. The Way Forward--to be completed on Day 2

Tuesday, October 5, 2010, Afternoon Session, 2:00 p.m.

IV. MCSF Planning Meeting: Consideration of Appropriate Decision-Making and Communication Protocols

1. With respect to MCSF processes and procedures:
 - a) Discussion of Planning Meeting timeframes (in relation to MCES meetings), frequency of meetings (virtual or in-person), and internal communication protocols; and
 - b) Discussion of the MCSF core function as secretariat to the MCES, and associated protocols

2. With respect to MCSF programmatic activity:
 - a. Discussion of MCSF activity identification and prioritization procedures
 - b. Discussion of approval processes for MCSF activity budgets, timelines, and implementation issues
 3. With respect to MCSF funding mobilization efforts:
 - a. Discussion of initial activity, if any
 - b. Discussion and prioritization of potential fundraising options
- V. Utilizing the Adopted Procedures in relation to the MCSF Inception Award via the Graduate School
- Review of the three original programmatic categories and the underlying, originally proposed activities
 - Each activity to be presented, reviewed, and open for dialogue among designated representatives
 - Completion of Evaluation/Scoring Sheets by the Designated Representatives
1. Organizational Development
 - a) Establishing necessary legal protocols for the MCSF
 - b) Establish financial control system for the MCSF
 - c) Develop a facilities and staffing plan for the MCSF
 - d) Identify and pursue grants from sustainable funding sources
 - e) Establish program evaluation capacity for the MCSF
 2. Program Delivery
 - a) Develop website and Information Portal for MCSF
 - b) Create support protocols and directly staff MCES and MPA Summits
 - c) Provide training workshop on invasive species for Guam and CNMI (with RISC)
 - d) Establish relationships with traditional and non-traditional women's organizations
 - e) Develop a regional energy strategy (Green Energy Micronesia)
 - f) Expand demographic data set and posters for FSM to other jurisdictions (with IREI)
 - g) Support GIS-based historical mapping analysis of land loss and coastal changes on atolls (with IREI)
 - h) Replicate best practice model for career and technical education across the F.A.S. with CME
 - i) Complete Position Paper for proposed Regional Health District with PIHOA
 3. Regional Strategic Framework
 - a) Establish the MCSF Regional Planning Council with one member from each jurisdiction
 - b) Facilitate Regional Planning Council meetings
 - c) Compile MDG and Parallel Socio-Economic Data set
 - d) Create An Analytical Matrix of Regional Socio-Economic Status

- e) Develop methodology to expand Socio-Economic Impact Assessments of the build-up to all jurisdictions
 - f) Design and delivery of Regional Strategic Framework to the MCES
4. Any other activities to be considered subject to funding availability and evaluation/scoring.
- a) COHAB Health Biodiversity Project
 - b) PIRRIC Website Support
 - c) MCES Leadership Retreat
 - d) National Association of Regional Planning Councils
 - e) Additional activities as proposed by Designated Representatives (if any)

Tuesday, October 5, 2010, Group Dinner: 7:00 p.m.

Venue to be determined.

Wednesday, October 6, 2010, Morning Session: 9:00 a.m.

- VI. Summary of Results from Evaluation/Scoring Sheets and Implications for Next Steps
- VII. Open Forum
 - The Way Forward (continued from Tuesday) including consideration of the needs and potential MCSF value-added for each of the MCES committees.
 - 1. Regional Workforce Development Council
 - 2. Micronesia Regional Invasive Species Council (RISC)
 - 3. Micronesia Challenge
 - 4. Renewable Energy Committee
 - 5. Pacific Island Regional Recycling Initiative Committee
 - 6. Regional Transportation Committee
 - 7. Regional Tourism Council
 - 8. Regional Health Committee
 - 9. Regional Education Committee
 - 10. Micronesia Center for Sustainable Future
- VIII. Review of MCSF Inception Award budget implications and application of approval procedures (as adopted under item IV on Tuesday)
- IX. Closure, Final Remarks, and Timing of Next Planning Meeting

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LIST OF PARTICIPANTS

MCSF Designated Representatives

1. CNMI: Esther Fleming, Special Assistant for Administration
2. Guam: Shawn Gumataotao, Deputy Chief of Staff
3. Palau: Victor Yano, Minister of State
4. RMI: Yumi Chrisostomo , Director, OEPPC
5. FSM: Marion Henry, Secretary of Resources and Development
6. Chuuk : Jesse Mori, Director of Finance and Administration
7. Kosrae: Steven George, Director of Resources and Development
8. Pohnpei: Churchill Edward, Lieutenant Governor
9. Yap: Sebastian Anefal, Governor

MCSF Design Team

1. Larry Goddard
2. David Louis Bell
3. Conchita Taitano

Facilitators and Other Representatives

1. Kevin O'Keefe, Facilitator
2. Jay Merrill, Facilitator
3. Jason Aubuchon, Graduate School

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BACKGROUND PAPER ON THE MCSF

Historical Background

The Micronesia Center for a Sustainable Future (MCSF) has been conceptually developed within the context of the on-going meetings of the Micronesia Chief Executives' Summit (MCES) and the Micronesia Presidents' Summit (MPS). In 2003, the Chief Executives of four Western Pacific Island Governments formed a unified sub-regional multilateral body for cooperative governance known as the Western Micronesian Chief Executive Summit (WMCES). This Summit was created in order to initiate and advance regional discussion among leaders in Western Micronesia. The first meeting was held in the Republic of Palau and the first Summit Communiqué was signed in March of 2003. Original membership in the MCES consisted of the Republic of Palau, the Territory of Guam, the Commonwealth of the Northern Mariana Islands and the State of Yap within the Federated States of Micronesia.

A companion Presidents' Summit was also created in 2003, known as the Micronesia Presidents' Summit (MPS). This Summit is composed of the Presidents of the Freely Associated States of Micronesia (the Republic of Palau, the Republic of the Marshall Islands and the Federated States of Micronesia). This Summit of leaders was developed to respond to sub-regional issues unique to these Freely Associated States.

Because of the success of the WMCES and the expansion of many of the issues beyond the Western Micronesian region, the issues of expanding membership to include principals of both summits gained support, and membership was expanded to include the Federated States of Micronesia and its individual states and the Republic of the Marshall Islands. Due to the new and broader membership, the former WMCES was renamed as the Micronesia Chief Executive Summit (MCES). Within this context the MCES now has ten committees that represent a broad set of regional issues, as follows:

- Regional Workforce Development Council
- Micronesia Regional Invasive Species Council (RISC)
- Micronesia Challenge
- Renewable Energy Committee
- Pacific Island Regional Recycling Initiative Committee
- Regional Transportation Committee
- Regional Tourism Council
- Regional Health Committee (HC)
- Regional Health Committee
- Micronesia Center for Sustainable Future

The Presidents' Summit remains in existence and continues to deal with issues unique to the Freely Associated States.

Over the past six years, the two Summits have met bi-annually and have issued a series of joint communiqués and related resolutions, letters and associated actions and arrangements. These cooperative actions form the basis of an emerging foundation of sub-regional multilateral cooperation and governance. To enhance and build upon this emerging collective vision, and in order to respond to the expanding body of work being produced, especially through the MCES, the establishment of a regional body to serve as the administrative, research, and development center for both the MCES and the MPS, as well their subcommittees, sub-bodies and programs, was endorsed by the Chief Executives of the region. These Chief Executives, through recent Summit Communiqués, have named this Center the 'The Micronesia Center for a Sustainable Future.'

Over the past years, the Chief Executives have taken numerous actions within the context of MCES Communiqués to further the development of the Center. During the 9th MCES (April, 2008), the Chief Executives endorsed the establishment of the Micronesian Center for a Sustainable Future (MCSF) and appointed the President of Palau as its Interim Secretary. The Secretary followed this appointment with the appointment of a Strategic Design Team, which was assigned the task of developing a draft Strategic Plan for the Center.

At the 10th MCES (November 2008), the Chief Executives endorsed this draft Strategic Development Plan (*Item 10* of this Briefing Book.)

During the 11th Summit (July, 2009), the Chief Executives appointed FSM President Emanuel Mori as the new Secretariat of the Center and directed the work to establish a corporate status for the Center to permit the development of a non-profit status in the United States. The Chief Executives also directed the Secretary to continue to work with the Design Team to pursue funding opportunities for the Center. In the 11th Communiqué, the Chief Executives committed to the continued development of the foundations necessary for the establishment of a permanent MCSF and the identification of future international partners to assist in the development and funding of a permanent Center to serve as the Secretariat of the two Summits.

During the 12th Summit (December 2009), the Chief Executives approved a proposed Start-up Award from the Department of Interior for the Center. They also signed corporate documents giving corporate status to the Center in Guam and setting the stage for the Center's non-profit status in the United States.

At the most recent 13th Summit (June 2010), the Chief Executives once again indicated their support for the proposed award with the DOI and agreed to "send representatives to an inception meeting to develop the organizational structures, initial program delivery and development of a regional strategic framework."

Rationale of the MCSF

The broad premise of the MCSF is that the member states of the MCES will look to the MCSF to assist in the creation and execution of regional initiatives and serve as the Secretariat of the MCES and MPS.

Three broad goals are mentioned in the strategic plan that the MCSF will be uniquely capable of achieving for the MCES process:

1. Achieving economies of scale in stimulating economic and community development. By linking and launching initiatives across jurisdictions, capital investment and execution costs can more efficiently and cost-effectively managed. This might be applicable to energy, telecommunications, tourism and healthcare initiatives to name just a few. But it also could apply to cultural sustainability, environmental programs, and community development projects. However, for such an approach to be realized as a characteristic of dealing with the region, as opposed to the unique achievement of individual initiatives, the management and administrative support required to facilitate such an approach has to be developed.
2. Communicating the MCES' strategic vision externally and internally. To attract the interest of U.S. domestic and international private and public funding sources to the vision of the MCES, the vision has to be communicated consistently and repeatedly to the international and U.S. funding community, and the private sector as well. Equally important, this vision needs to be communicated just as vigorously within the member states of the MCES.
3. Leveraging private and public funding. To solicit and win funding requests, the administrative mechanisms needed to prepare competitive proposals, oversee the administration of funds once awarded and evaluate the impact of the projects funded on a regional basis needs to be established.

OIA Inception Award

Shortly after the Summit, the OIA finalized a \$400,000 inception award to the Center (*Items 6 and 7* of this Briefing Book.) The award focuses on three primary delivery areas: Organizational Development, Program Delivery and Regional Strategic Framework. Within the scope of Organizational Development, the award envisions a number of areas for activity, including the development of legal protocols and financial protocols, fundraising, and the establishment of a program evaluation capacity. The largest component of the award envisions delivery of a variety of programs. The third component, the development of a Regional Strategic Framework, envisions not only the support of this Representative Group, but also the development and analysis of socio-economic data upon which to base future development planning. *Item 5* of this briefing book provides a brief and preliminary description of each project and program.

The Graduate School

The Graduate School has been selected by the Department of Interior to administer the inception award. The Graduate School received a contract modification on June 14, 2010, with a one-year period

of performance that ends on June 13, 2011. The award was offered to the Graduate School because of its institutional history administering regional programs like PITI-VITI, and supporting regional communities of practice such as the Association of Pacific Island Public Auditors (APIPA), the Island Government Finance Officers' Association (IGFOA), and the Executive Leadership Development Program (ELDP).

The award could not be awarded to MCSF directly because, to date, the MCSF is without permanent staff, corporate structures or the financial systems needed to administer funds. To the greatest extent possible, the Graduate School has agreed to administer the award "as if" it had been awarded to the MCSF directly, including MCSF stakeholders on such activities as consultant recruitment, terms of reference, interim reporting, budget management, etc.

Since the contractual relationship exists between OIA and the Graduate School, the Graduate School is ultimately responsible for contract deliverables. Given this, the MCSF Board and Secretary General are the Graduate School's primary clients for this contract. Ultimately, any MCSF activities requiring additional contractual support will be executed by the Graduate School; however, the activities under those contracts will benefit the MCSF.

Palau Meeting

The vision of a fully operational MCSF is ambitious, and in addition to questions regarding purpose and structure, the most recent MCES also included questions from the leadership about the future physical location of the Center, staffing, and future funding sources. The award was not designed to provide operational funding for these long-term activities, but rather, to develop a framework through which these needs can be clarified and supplemental funding sources identified. Clearly, the overall success of the inception activities will be especially dependent on the identification of viable funding sources. However, the OIA Inception Award is not the first such source.

As indicated in your invitation, the goals of the Palau meeting will be to:

- Review the background of the MCSF and the events leading up to the inception award;
- Consider existing and potentially new activities to be implemented under the inception award; and
- Discuss how the group of designated representatives will work in the future towards planning and implementing MCSF activities in support of their principals, the Micronesian Chief Executives.

At the conclusion of the meeting, it is hoped that there will be agreement upon a general action plan for the MCSF, which will set a clear course for the administrative and management support needed for the MCES and MPS through the DOI inception award. It is also assumed that the proposed projects and programs to be financed through the award will be finalized to the degree that the Graduate School can move forward with the administration of the award in a timely fashion. Due to the short duration of the award, it is critical that immediate activity be undertaken to implement projects and programs deemed important and in need of immediate implementation.

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SUMMARY OF MCSF IN MCES COMMUNIQUÉS

This paper excerpts the relevant citations within MCES communiqués dating back to the 8th Western Micronesian Chief Executives Summit.

8th Western Micronesian Chief Executives' Summit

Solid Waste Management - Pacific Islands Regional Recycling Initiative Council (PIRRIC)

The Council requested, and the Chief Executives endorsed the following actions:

- (3) Approved and supported the identification of a PIRRIC Administrative Center, The Micronesian Center for a Sustainable Future;

9th Micronesian Chief Executives' Summit

Solid Waste Management - Pacific Islands Regional Recycling Initiative Council (PIRRIC)

To facilitate these activities and include additional environmental issues of regional concern, PIRRIC reported that significant progress had been made in developing the "Micronesian Center for A Sustainable Future" (MCSF). PIRRIC conducted an initial evaluation of potential sites for placement of the MCSF using a number of evaluative factors. These factors include: accessibility to air travel, communications infrastructure, availability of in-kind support, access to funding sources (private, international, donor countries), and political linkages. This evaluation led to the generation of a recommendation that the Republic of Palau is the most logical site for the MCSF.

PIRRIC reported on the policy support available to assist in establishing the MCSF. These included action by the Guam Legislature through introduction of Resolution No. 140 (LS) by Senator Judy Guthertz. This piece of legislation provided a basis for the MCSF to perform a number of functions. Primary amongst these functions are:

- The provision of research and knowledge management, development and administration;
- Strategic "Think Tank" for sustainable development for the Micronesian Chief Executives, Micronesian Presidents, and the Micronesia Challenge; and
- Office of Research and Development at the University of Guam.

PIRRIC reported that additional policy support will be provided by Guam Congresswoman Bordallo, the U.S. Department of Interior (DOI) and the Association of Pacific Island Legislatures (APIL).

PIRRIC further reported on the structure of an Interim Secretariat to develop the MCSF and its institutional framework. PIRRIC recommended that the Interim Secretariat create an interim board to perform the functions necessary for the permanent establishment of the MCSF. These functions will

include research and negotiations related to the status of the MCSF and identification and negotiations related to funding. PIRRIC reported that the initial structure should provide 3-5 year terms of membership with options for removal. PIRRIC also reported that to increase international recognition and provide proven local leadership, that President Remengesau of the Republic of Palau be appointed as the interim Secretariat.

The Chief Executives congratulated the PIRRIC on its efforts since the last summit and directed the following actions:

- (5) Continue to develop the foundations necessary for the establishment of a permanent Micronesian Center for A Sustainable Future in the Republic of Palau housing a permanent Secretariat; and
- (6) Continue to develop sources for policy and financial support for the MCSF.

In line with the PIRRIC recommendations, the Chief Executives also unanimously appointed Palau and Remengesau as the Interim Secretariat to establish the MCSF. Also in line with PIRRIC recommendations, the Chief Executives recommended that the Republic of Palau be the site for the future Center. Finally, the Chief Executives agreed to endorse the policies and proposals embedded in Guam Resolution No. 140.

10th Micronesian Chief Executives' Summit

Solid Waste Management - Pacific Islands Regional Recycling Initiative Council (PIRRIC)

To fortify and facilitate the development of necessary policy support to establish the functions essential for the permanent establishment of the “Micronesian Center for a Sustainable Future” (MCSF), the Chief Executives directed PIRRIC to continue to develop sources for policy and financial support for the MCSF.

At the 9th MCES, the Chief Executives endorsed the policies and proposals embedded in Guam Resolution No. 140, which endorsed a permanent Micronesia Center for a Sustainable Future. The Chief Executives in line with the recommendations of the Resolution, appointed the President of Palau to act as Interim Secretariat to establish the new Center. This appointment was re-affirmed by the 10th MCES. President Remengesau, under this mandate, appointed a strategic Design and Planning Team and directed them to develop a business plan for the proposed center. The business plan, known as the Strategic Development Plan, has been completed and presented to each jurisdiction.

The Chief Executives endorsed: (1) the Strategic Development Plan; (2) implementation of the Plan by the Interim Secretariat and the Design Team; (3) continue to identify and secure short and long term funding options for the Center. Leaders noted that the Center will become a resource center for excellence, with a primary focus on the North Pacific sustainable development priorities. The Center is intended to work with the Pacific Islands Forum and CROP agencies to strengthen the region as a whole. It was agreed that the Center will assist and complement national development strategies.

11th Micronesian Chief Executives' Summit

Pacific Islands Regional Recycling Initiatives Committee (PIRRIC)

Micronesia Center for a Sustainable Future

PIRRIC also reported that work to establish the Micronesia Center for a Sustainable Future (MCSF) has continued since the last MCES. In this context, PIRRIC noted that the MCSF Interim Secretary General, Tommy E. Remengesau, Jr., has resigned from this post as Interim Secretary General of the Center. The Chief Executives applauded the past efforts of the Secretary General and endorsed the PIRRIC recommendation to continue to move forward with the creation of the center. To continue these development efforts, the Chief Executives appointed President Emanuel Mori of the FSM as the new Secretary General of the MCSF and endorsed the following MCSF recommendations:

- Finalize and sign the draft Teaming Agreement With UOG;
- Finalize and sign the Alliance Agreement with the Micronesian Empowerment Center (MEC);
- Formally request funding from the Department of Interior for a regional Socio-Economic Needs Assessment;
- Direct the Strategic Design Team to take the following actions and report back to the Chief Executives at the next Summit:
 - Continue to work on policy, financial & programs development;
 - Continue to work in identifying financial management institution & money management options;
 - Finalize 501(c)(3) Non Profit Status;
 - Continue to identify other regional and international partners and opportunities;
 - Undertake, in cooperation with the Department of Energy, via the Governor of Guam, an Energy Needs Assessment with U.S. Stimulus funding;
 - Continue to explore potential organizational structures including corporate status and development of corresponding legal documents;
 - Continue to work with the Bank of Guam to pursue the development of a Micronesian Monetary Fund;
 - Take such other actions on behalf of the Chief Executives as will move forward, with all due expediency, the development of the Micronesia Center for a Sustainable Future; and
 - Pursue the development of a Teaming Agreement with the USDA Graduate School to enhance regional capacity building and strengthen the administration of the Center.

12th Micronesia Chief Executives' Summit

Micronesia Center for Sustainable Future

The Secretary General (SG), with the assistance of the Strategic Design and Planning Team, reported the following accomplishments in line with the recommendations of the Chief Executives at the 11th Micronesia Chief Executives Summit:

- A grant proposal has been developed with the Department of Interior to fund the launch of the MCSF. Expected outcomes include:
 - Establishment of the organization and its operating systems and protocols;
 - Initial program delivery, including the launch of the MCSF information portal; and
 - Significant progress toward a strategic framework that involves all nine jurisdictions.
- Completed the Alliance Agreement with the Micronesia Empowerment Center (CME), which was signed by the Secretary General;
- Preliminary discussions have begun with AMEC and Bechtel regarding a teaming agreement with the CME and the development of a teaming agreement for the regional energy assessment (the Strategic Design and Planning Team will work with the Guam Representatives of Core Tech);
- Completed a draft *Teaming Agreement with the University of Guam* – the Secretary General and UOG President Underwood have engaged in direct dialogue to finalize the Agreement;
- Completed development of Non-Profit 501 (c) (3) documents;
- Completed a fundraising letter which shall form the basis for continued requests from identified potential donors, which will be sent out by the end of January 2010;
- Identification of other Regional Partners and Opportunities – The Secretary General attended the European Development Days conference and held discussions with the President of the European Commission and the European Union;
- Drafted a Teaming Agreement with The Graduate School to be finalized within 30 days;
- Began discussions with Island Research Educational Initiative (IREI) and are near completion of the development of a strategic alliance, to serve as the focal point for science research for the MCSF;
- Began discussions with Women's President Organization in order to initiate the Save our Sisters program in conjunction with IREI (BOGO Solar Flash Lights); and
- Began discussion with the Micronesia Seminar regarding the development of a teaming agreement.

The Chief Executives supported the recommendations of the Secretary General to continue to work on the following activities in support of the Center:

- Undertake, in cooperation with the Department Of Energy, via the Governor Of Guam, through the Guam EPA, an energy needs assessment in support of the RMI's Green Energy Micronesia initiative;
- Move forward on the development of a multi-jurisdictional pragmatic assessment of current social and economic data, including MDG indicators for the Freely Associated States and the nearest proxies to the MDG indicators for the CNMI and Guam (This data will be compiled in a regional analytical framework that will prove useful in the development of the MCSF program of action);
- Establish the MCSF Summit Implementation Review Group (SIRG), with membership by every MCES jurisdiction, to drive the development of the MCSF Strategic Framework and to implement the MCES Summit communiqué directives;
- Move forward in negotiations with the APIL regarding the development of a framework of consensus building and cooperation;
- Continue to move forward in discussions with the Bank of Guam to pursue the development of a Micronesian Monetary Fund;
- Take such other actions on behalf of the Chief Executives as will move forward, with all due expediency, the development of the Micronesia Center for a Sustainable Future;
- Pursue the development of a Teaming Agreement with The Graduate School to enhance regional capacity building and strengthen the administration of the Center;
- Pursue a strategic alliance with the Pacific Post Secondary Education Council (PPEC);
- Collaborate with other regional and national initiatives;
- Finalize 501(c)(3) documents to create MCSF capacity to receive private sector donations;
- Pursue relations with traditional women's organizations; and
- Pursue a strategic alliance with the Island Research and Education Initiative (IREI).

A motion was made by the Governor of Yap to nominate Governor Benigno Fitial as Assistant Secretary General of the MCSF, which was seconded by the Governor of Chuuk. The motion was passed unanimously.

The Chief Executives recognized the accomplishments of the Secretary General, President Emanuel Mori and the Strategic Design and Planning Team (Larry Goddard, Special Representative – Corporate Affairs and Strategic Planning, Conchita S.N. Taitano, Special Representative – Research and Knowledge Management and David Bell, Special Representative – Strategic Design, Public Affairs and Communications).

13th Micronesian Chief Executives' Summit

Micronesia Center for Sustainable Future

The Secretary General (SG), with the assistance of the Strategic Design and Planning (SDPT) Team, reports the following accomplishments in line with the recommendations of the Chief Executives at the 12th Micronesia Chief Executives Summit:

- Submitted a \$400,000 grant proposal with the Department of Interior and received preliminary notice of support of the Grant, which will be officially announced in August at the Micronesia Games to be held in Palau. The Grant focuses on three primary delivery areas, as follows:
 - Organizational development;
 - Program Delivery; and
 - Further development of the Regional Strategic Framework as a living document.

To expedite immediate implementation of the grant, the SDPT held inception meetings with the Administrator of the Grant selected by the Department of Interior, the Graduate School. The Graduate School will be the official recipient of the Grant and will work with the Secretary General and the SDPT to implement all components of the grant within the next year. The inception meeting focused on fine tuning the actual costs associated with the specific programs and activities approved under the grant.

- Completed and gained signatures on a Teaming Agreement with the University of Guam.
- Completed and gained signatures on a Teaming Agreement with the College of Micronesia, Federated States of Micronesia (COM-FSM).
- Completed and gained signatures on a Strategic Alliance Agreement with the Micronesian Seminar (MICSEM).
- Finalized and filed corporate documents for the MCES in Guam, and, within this context:
 - Amended Corporate By-Laws to reflect each Chief Executive's status as the Directors of the MCSF;
 - Gained a Guam Business License;
 - Received U.S. Employee Identification Number; and
 - Applied for 501(c)(3) non-profit status, which status is anticipated within the next two months.

In addition to on-going Center activities, the Secretary General reported, on the behalf of the Center for Micronesian Empowerment (CME) that the CME has assisted in placing 63 graduates in full time employment. By the end of 2010, the CME will have assisted and found full time employment for 245 participants. The Governor of Chuuk formalized the relationship between the State of Chuuk and the CME during the Summit with a \$120,000 program commitment for job training in Guam in preparation for the military buildup. The first 15 students will arrive in Guam on July 3rd.

The Secretary General continues to work on a number of approved initiatives to strengthen the MCES and the Center and seeks the support of the Chief Executives for these and additional initiatives, as set forth below:

- Prepare for the formal announcement of the DOI Grant, and, upon final announcement, immediately begin implementation activities, to include:
 - Development of Legal and Financial Protocols;
 - Establishment of a Facilities and Staffing Plan;

- Creation of a Programmatic Evaluation System for the MCSF;
- Implementation of the broad variety of programs funded by the grant;
- Establishment of a representative body composed of one member from each jurisdiction; and
- Development of the MCSF Strategic Framework, taking into account Jurisdictional review and enhanced data gathering through the Grant.
- Continue to develop teaming and strategic alliance relationships with regional and international organizations, including:
 - A teaming agreement with the Pacific Post Secondary-Education Council (PPEC) and its members;
 - Teaming agreements with other appropriate higher learning institutions, including the South Pacific University and the College of the Marshall Islands (CMI); and
 - A Strategic Alliance with the Island Research and Education Initiative (IREI).
- Pursue funding opportunities from Australia and New Zealand for a remittance study by the Micronesian Seminar, through the MCSF, in the FSM, Palau and the RMI (This study will serve as a critical element in the development of a regional socio-economic assessment of the region);
- Establish membership in the National Association of Regional Planning Councils (NARC) in order to leverage ARRA funding for the region;
- Continue to support CME in its efforts to rapidly increase the number of participants served by the program (750 participants anticipated in 2011 and over 1,000 anticipated in 2012, with revenues generated from the program being reinvested into expanded and improved services and training);
- Continue negotiations with the APIL regarding the development of a framework of consensus building and cooperation;
- Continue to move forward in discussions with the Bank of Guam to finalize the development of a Micronesian Monetary Fund;
- Take such other actions on behalf of the Chief Executives as will move forward, with all due expediency, the development of the Micronesia Center for a Sustainable Future;
- Collaborate with other regional and national initiatives; and
- Continue to pursue and leverage funding opportunities for regional initiatives.

The Chief Executives once again confirmed their strong support for the Center and recommended that anticipatory work begin in anticipation of the finalization of the Department of Interior (OIA) Start-up Grant. The Chief Executives also agreed to send representatives to an inception meeting to develop organizational structures, initial program delivery and development of a regional strategic framework.

The Secretary General and the Officers of the Center are working with the U.S. National Invasive Species Council, and other U.S. Federal and international partners to sponsor a side event at the upcoming Convention on Biological Diversity to highlight the development of the U.S. Department of Defense-funded Micronesia Biosecurity Plan (MBP). The MBP is an unprecedented collaborative effort between

Micronesia and the U.S. Government to proactively study invasive species threats to the region of Micronesia posed by the military buildup and to make responsive recommendations based on scientific analyses to prevent any damage from occurring, now and in the future. In addition to the MBP, the side event will focus on the exemplary regional coordination under the auspices of the MCSF and cooperation with the U.S. Government that has lead to the development of this globally unique plan.

FIRST PLANNING MEETING OF DESIGNATED REPRESENTATIVES FOR THE MICRONESIA CENTER FOR A SUSTAINABLE FUTURE

(October 5-6, 2010, Koror, Palau)

MCSF INCEPTION AWARD PROJECT AND PROGRAM DESCRIPTIONS

1. Organizational Development

A. Establishing Necessary Legal Protocols for the MCSF

Estimated Budget: \$29,000

The MCSF has a corporate identity, registered in Guam as a non-profit corporation, as directed by the Chief Executives at the 11th MCES. Within this context, documents have been filed to gain 501(c)(3) tax exempt status, which should be completed within six weeks. Work needs to be undertaken to explore the potential need for an intergovernmental charter for the purpose of international recognition, UN based charter recognition, funding opportunities and the related need for intergovernmental legal protocols. It is assumed that this will require a high level outside consultant.

B. Establishing of a Financial Control System for the MCSF

Estimated Budget: \$28,000

Like the legal protocols, the financial protocols will require expertise, which is currently being sought from Deloitte and Touche, who has assisted in setting up the request for 501(c)(3) tax exempt status. Past discussions have revolved around the potential for hiring finance staff, if funds can be identified, to handle financial matters. If funding is not identified, discussion has also focused on the use of a professional agency, such as Deloitte and Touche, during this set-up phase.

C. Develop of a Facilities and Staffing Plan for the MCSF

Estimated Budget: \$10,000

Largely due to the lack of identified future funding sources and the need to hold discussions with jurisdictions, the development of a facilities and staffing plan has been considered to be a late phase project, of low priority, with minimal risk.

D. Identify and Pursue Grants from Sustainable Funding Sources

Estimated Budget: \$25,000 (Originally Listed as Self-Funded and In-Kind)

Secretary General Mori expressed significant concern regarding the development of a comprehensive funding plan for the MCSF during the 13th MCES. Ultimately, the identification of long-term funding will be critical to the success of the Center. Funding should therefore be sought from all potential sources, public and private, regional and international. At a minimum, this grant

should be used to identify future funding sources. Thought should also be given actually pursuing such sources with Grant resources.

Although this was originally proposed to be a self-funded and in-kind activity, given the importance of finding sustainable funding, the designated representatives might consider hiring a professional to pursue funding sources.

E. Establish Program Evaluation Capacity for the MCSF

Estimated Budget: \$22,000

This item is intended to establish an evaluation procedure to ensure that programmatic evaluation is undertaken at the beginning of the MCSF project process. The development of this capacity may be a later phase activity, as programs and projects have yet to be implemented.

2. Program Delivery

A. Develop Website and Information Portal for MCSF

Estimated Budget: \$65,000

The establishment of a regional website and the branding of the MCSF are critical to the successful formation of the Center. This program would focus on creating a comprehensive interactive website, focusing on knowledge management and social communication.

B. Create Support Protocols and Directly Staff MCES and MPS Summits

Estimated Budget: n/a

This activity has been incorporated into items 3.A. and 3.B.

C. Provide Training Workshop on Invasive Species for Guam and CNMI with Regional Invasive Species Council (RISC)

Estimated Budget: \$29,000

The invasive species workshop is directed at providing training, through a New Zealand based training firm, that has already provided training to the FSM, Palau and the RMI and that was not available to Guam and the CNMI. The training will be held in Guam and trainees from the CNMI will be responsible for their own travel to the training event.

At the 13th Summit, an additional issue of a Biodiversity Convention Conference of the Parties (COP) side event, at the next Biodiversity COP, was placed on the table by the RISC Committee for potential funding and should be further investigated. The Chief Executives supported this initiative in the Summit Communiqué.

D. Establish Relationships with Traditional and Non-Traditional Women's Organizations

Estimated Budget: \$11,000

This program focuses on a regional follow-up to the up-coming International Women's Conference to be held in Beijing, China. It is intended that this follow-up conference for regional traditional women leaders be tied to the next MCES to be held in Kosrae. The phasing of the meeting is tied to the Beijing UN Conference.

E. Develop a Regional Energy Strategy (Green Energy Micronesia)

Estimated Budget: Self-Funded and In-Kind

F. Expand Demographic Data Set and Posters for FSM to Other Jurisdictions with IREI

Estimated Budget: \$25,000

A demographic poster of the FSM has had great impact and this project seeks to replicate the same in Palau and the RMI. The original poster was prepared by the Island Research and Education Initiative (IREI), located in Pohnpei, FSM.

G. Support GIS-Based Historical Mapping Analysis of Land Loss and Coastal Changes on Atolls with IREI

Estimated Budget: \$13,000

This project is focused on gathering GIS-based historical mapping data on island atolls and analyzing such data regarding land loss and coastal changes from Climate Change. This project is tentatively directed at the services provided by the IREI.

H. Replicate Best Practice Model for Career and Technical Education across the FAS with CME

Estimated Budget: \$26,000

This program relates to expansion of work completed by the Center for Micronesian Empowerment (CME) for Kosrae and underway in Chuuk, Pohnpei, the RMI and Palau. CME provides job and ESL training, as well as assimilation assistance and training to individuals who move to Guam for work. This private sector initiated program recently graduated 63 Kosraeans and has begun training of a similarly sized group of Chuukese. Training opportunities are expanding, including training by the Federal Highway Administration, GIS mapping and CAD skills. The program will be able to handle the training of 1,000 to 2,000 people over the next two years.

I. Complete Position Paper for Proposed Regional Health District with Pacific Island Health Officers' Association (PIHOA)

Estimated Budget: \$21,000

This project supports a PIHOA-proposed regional project that currently has limited funding to establish a position paper for a proposed Regional Health District.

3. Regional Strategic Framework

The development of a Regional Strategic Framework is intended to provide socio-economic data to supplement and augment the existing Strategic Development Plan and establishing representative structural foundations to support cooperative decision-making.

A. Establishment the MCSF Regional Planning Council with One member from Each Jurisdiction

Estimated Budget: Self-Funded and In-Kind

The original DOI technical assistance request set aside funding to hold a representative meeting. Support for such a representative group to review, on behalf of the Chief Executives, the grant and other related issues of forward movement became evident at the 13th Summit. The Palau Meeting is reflective of this desire and is the first meeting of the group.

B. Facilitate Regional Planning Council Meetings

Estimated Budget: \$40,000

Regional Planning Council Meetings were originally envisioned as happening immediately prior to, or following, the MCES. The cost of this activity would therefore be minimal, since travel would not need to be funded. Costs might include meeting facilitators.

C. Compile Millennium Development Goal (MDG) and Parallel Socio-Economic Data Set

Estimated Budget: \$24,000

This project requires the compilation of data from existing MDG reports in the FAS states and the identification of parallel data from the CNMI and Guam to establish the foundation data to develop an analytical socio-economic matrix for the entire region. This data would serve as a basis for program development in the future. In terms of phasing, this compilation is subject to the completion of MDG studies in the FAS states.

D. Create an Analytical Matrix of Regional Socio-Economic Status

Estimated Budget: \$13,000

As mentioned above, this matrix will be based upon the successful compilation of parallel data.

E. Develop Methodology to Expand Socio-Economic Impact Assessments of the Build-Up to All Jurisdictions

Estimated Budget: \$10,000

Development of a methodology is critical to bring the studies together and to providing a foundation for a successful assessment upon which programs will be developed.

F. Design and Deliver Regional Strategic Framework to the MCES

Estimated Budget: \$26,000

This is the final delivery component of the strategic assessment process. It is therefore phased at the end of the grant and follows the completion of the other components, as described above. Coverage applies to all jurisdictions.

4. Additional Activities for Consideration

A. Support COHAB Health Bio-Diversity Project

Estimated Budget: \$14,000

World Health Organization (WHO) data indicate that 56% of pre-school aged children in Chuuk State have Vitamin A deficiency. This data was collected from a sample of 20 villages representing all 40 populated islands of Chuuk. This means if you are a baby born in Chuuk you have a 50% chance of becoming Vitamin A deficient. If this is untreated it can lead to permanent eye damage including blindness. A team of Ophthalmologists visited Chuuk in 2008 and discovered a significant number of children who lost their vision because of this deficiency. The sad part is that Vitamin A deficiency is totally treatable in the early stages and could be eliminated through the use of Vitamin A capsules, eating foods rich in Vitamin A, and education.

If this proposal is funded, project staff will create a video and training component by collaborating with Public Health, Special Education, and village children and leaders where Vitamin A deficiency is most prevalent. The video will feature people describing the condition, showing signs of what it looks like, and providing solutions of what can be done to stop this growing problem. The training will provide in-depth information on Vitamin A deficiency as well as ideas for screening the video to reach the largest number of people. The video will be screened in villages and participants will receive a dose of Vitamin A, along with copies of the video. This proposal will be used in conjunction with a poster that is being developed by the Pacific Deaf-Blind Project and Guam CEDDARS. The posters will be distributed to all the Public Health Clinics in Chuuk.

B. PIRRIC Website Support

Estimated Budget: \$2,000

This small add-on project arose at the 13th MCES and is directed towards providing funding to reinstate the PIRRIC website.

C. MCES Leadership Retreat

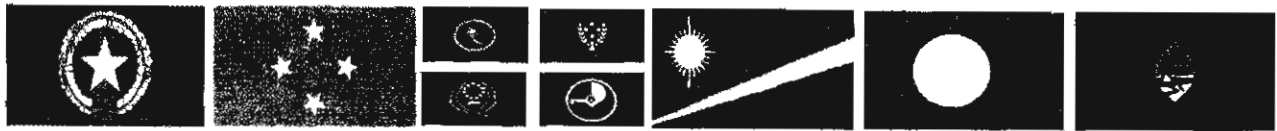
Estimated Budget: \$15,000

This activity would involve the principals and their designated representatives in a retreat-like environment at the margins of one of the future summits, to be facilitated by a highly respected expert in leadership. This team-building exercise would be designed to consolidate and expand the vision of the role of the Center in support of regional priorities.

D. Dues to National Association of Regional Planning Councils

Estimated Budget: \$1,000

E. Additional Activities as Proposed by Designated Representatives (if any?)



Micronesian Center for a Sustainable Future

Office of the Secretary General
P. O. Box PS 53, Palikir, Pohnpei 96941 – (691) 320-2228

ROC
Larry G.

December 10, 2009

Mr. Anthony Babauta
Assistant Secretary of the Interior for Insular Affairs
Office of the Assistant Secretary for Insular Areas
U.S. Department of the Interior
1849 C Street, NW
Mailstop 2428
Washington, DC 20240

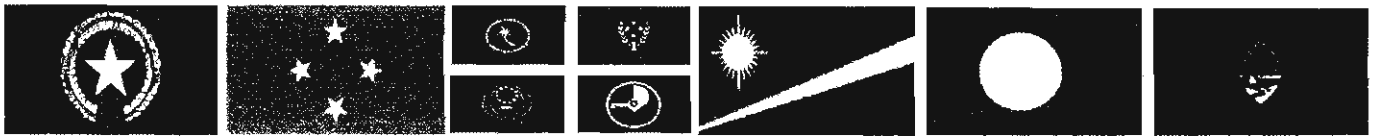
Dear Secretary Babauta:

Greetings from Micronesia. I write to request the assistance of the Department of Interior through a technical assistance grant to support the formal launch of the *Micronesian Center for a Sustainable Future* (MCSF). As you are now aware, the creation of the MCSF is a work in progress and is an important outcome of Micronesian Chief Executives' Summits, as well as the Micronesia Presidents' Summits in recent years.

Please find enclosed our grant request and a budget identifying deliverables, timelines and proposed budget for each component. You will note that several of the deliverables to be undertaken will be financed from other funding sources or using in-kind contributions of our member jurisdictions.

I firmly believe that the progress we have made to date through Micronesian regional cooperation has been impressive and gives confidence that a fully operational MCSF will enable us to consolidate and accelerate the goals and objectives of regional cooperation for the benefit of each of our nine jurisdictions.

Your favorable consideration for this funding request will be looked upon favorably by all nine of the executives who participated in the recent 12th Micronesian Chief Executives' Summit. My colleagues have endorsed the submission of this request to the Department of the Interior and they are eager to see the launch of the MCSF as augmented through the deliverables specified in the enclosed grant request.



Micronesian Center for a Sustainable Future

Office of the Secretary General

P. O. Box PS 53, Palikir, Pohnpei 96941 – (691) 320-2228

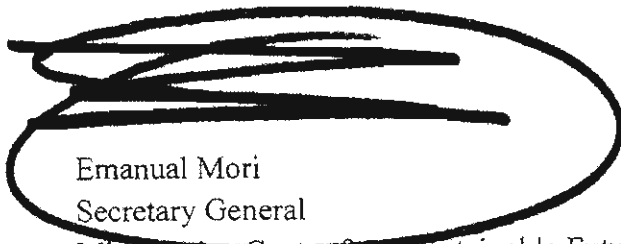
Finally, since the grant request anticipates a significant organizational development component to bring the MCSF to a fully operational status, and since we would prefer to not have any one jurisdiction acting as the direct recipient of the requested grant funds, we respectfully request that consideration be given to granting the funds to a third-party institution with experience providing the identified services within the Micronesian region.

As Secretary General of the MCSF, I have designated Larry Goddard, a member of the Strategic Design Team, to serve as the key contact point for implementation of the proposed grant. His contact information is as follows:

Larry Goddard
P. O. Box PS 52
Palikir, Pohnpei, FM 96941
Tele: (691) 320-2823
Fax: (691) 320-2428
lgoddard@sboc.fm

I look forward to your comments or suggestions and await your consideration of this important proposal.

Sincerely yours.



Emanuel Mori
Secretary General
Micronesian Center for a Sustainable Future

Enclosures: Grant Request
Grant Deliverables, Timeline and Budget

Technical Assistance Request to the
Assistant Secretary of the Interior for Insular Affairs:
Micronesian Center for a Sustainable Future

Introduction

The United States Affiliated Islands of Micronesia are experiencing a period of rapid growth, urbanization, westernization and increasing significance to national security. In response to common challenges unique to small island developing states, and given the extraordinary opportunities within the region to preserve, leverage and integrate indigenous, natural, and human resource systems and to establish processes of collaborative governance, the member jurisdictions established the Micronesia Chief Executives' Summit (MCES). The MCES is composed of the Chief Executives from the Territory of Guam, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands, the Federated States of Micronesia, and its four state Governors (Chuuk, Yap, Pohnpei, and Kosrae).

Over the past five years, the MCES has met bi-annually and has issued a series of joint communiqués and related resolutions, letters and associated actions and arrangements. These cooperative arrangements form the basis of an emerging foundation of regional cooperation and governance. Because the Islands of Micronesia are all communities that draw their economic livelihood, spiritual well-being and civic strength from their ocean-based environments, many common activities focus on environmental protection and sustainable development.

To enhance and build upon this emerging collective vision, and in order to solidify and implement regional policy goals, objectives and multilateral actions, the establishment of a regional focal point for the jurisdictions within the Micronesian region represented in the MCES has been advanced to serve as an administrative, research and development center within and for the entire Micronesian region.

Creation of the Micronesian Center for a Sustainable Future

Within this context the Micronesian Center for a Sustainable Future (MCSF) was created by the MCES to serve as the vehicle to ensure that there will be more effective and more coordinated sustainable development strategies and programs based on regional multilateral action, mutual cooperation and shared knowledge. The primary functions of the MCSF will be:

- **Administration:** Serve as Secretariat for the MCES and as a point of contact and facilitation for member jurisdictions; serve as a resource for program development and project management; provide a nexus for information technology, strategic communications and public relations; assist member governments in developing, organizing and planning for bi-annual summits in order to ensure institutional continuity; develop, implement and manage a budget in order to carry out the Centers' primary objectives; and provide administrative capacity for sub-regional programs and activities.
- **Development:** Identify and expand indigenous and exogenous systems in order to promote economic and ecological sustainability; and integrate, leverage and synchronize opportunities for private and public sector partnerships within the sub-regional, regional, and international community.
- **Research and Knowledge Management:** Identify and address gaps in data and the characterization of information related to economic, social, environmental, and cultural activities; develop databases, vulnerability indexes, cost indexes, geographical information systems and other information systems necessary to ensure a sustainable future for the region, including the development of clearinghouse mechanisms for the region; establish a relevant research and executive education degree program at the University of Guam to be aligned with all the existing institutions of post-Secondary Education within the region; collect, integrate and synchronize emerging research, information and opportunities that have the potential to stimulate sustainable development; and, ultimately, serve as a strategic think tank for the MCES.

The primary imperative of the MCES is to coordinate and implement regional strategies to assist its member jurisdictions. Among those initiatives are the following:

- The Micronesian Challenge;
- The Pacific Islands Regional Recycling Initiative Council (PIRRIC);
- The Regional Invasive Species Council (RISC);
- The Regional Energy Committee: Green Energy Micronesia;
- The Regional Telecommunications Committee;
- The Regional Tourism Committee;
- The Regional Transportation Committee;
- The Regional Workforce Development Council; and

- The Regional Health Committee.

Each of these initiatives was developed to improve the lives of the people of Micronesia while at the same time preserving the environmental and cultural heritage of the region. However, their approach tends to reflect the goals of the agencies and advocates that created and presented them for adoption by the MCES. Some have made impressive progress while others require additional support or improved approaches. A regional center with a vision and programs that consider how these initiatives work in concert would produce improved outcomes. To fulfill this need the MCSF was formed, and a preliminary Strategic Development Plan has been developed (guided by MCES Joint Communiqué and directives, APIL Resolutions, and through the work of the Secretary General and his designated Strategic Design Team).

Launching a Fully Operational MCSF

Now is the time that the MCSF needs to be launched in order to become a fully operational entity in support of the MCES. The Strategic Planning process has been completed for the initial stage of the MCSF, but substantial effort is required to become fully operational. This grant request is to provide deliverables in three key areas:

1. Organizational Development

- Establishing necessary legal protocols for the MCSF
- Establish financial control system for the MCSF
- Develop a facilities and staffing plan for the MCSF
- Identify and pursue grants from sustainable funding sources
- Establish program evaluation capacity for the MCSF

2. Program Delivery

- Develop website and Information Portal for MCSF
- Create support protocols and directly staff MCES and MPA Summits
- Provide training workshop on invasive species for Guam and CNMI (with RISC)
- Establish relationships with traditional and non-traditional women's organizations
- Develop a regional energy strategy (Green Energy Micronesia)
- Expand demographic data set and posters for FSM to other jurisdictions (with IREI)
- Support GIS-based historical mapping analysis of land loss and coastal changes on atolls (with IREI)
- Replicate best practice model for career and technical education across the F.A.S. with CME

- Complete Position Paper for proposed Regional Health District with PIHOA

3. Regional Strategic Framework

- Establish the MCSF Regional Planning Council with one member from each jurisdiction
- Facilitate Regional Planning Council meetings
- Compile MDG and Parallel Socio-Economic Data set
- Create An Analytical Matrix of Regional Socio-Economic Status
- Develop methodology to expand Socio-Economic Impact Assessments of the build-up to all jurisdictions
- Design and delivery of Regional Strategic Framework to the MCES

Project Implementation and Anticipated Outcomes

The Secretary General of the MCES will be the high-level point of contact for the implementation of the grant. He will be supported by his designated Strategic Design Team, and as such, that team will be the primary point of contact for the implementation of the deliverables under the grant.

The deliverables, timeline and proposed budget can be found in the attachment to this grant request. It is expected that at the end of this grant's implementation period the MCSF—having benefited from the grant's deliverables in conjunction with other sources of funding and in-kind contributions from member jurisdictions—will be recognized as a fully operational center that is capable of acting in its capacity as Secretariat to the MCES and that is also capable of receiving and effectively implementing grants and contributions for the benefit of the Micronesian region.

MCSF Launch Grant: Deliverables, Timeline and Budget			2010												Professional Services	Travel	Materials
Task	Start	End	J	F	M	A	M	J	J	A	S	O	N	D			
Strategic Plan																	
Mission & Vision	1/4/2010	1/31/2010															
SWOT Analysis	1/4/2010	1/31/2010															
Strategic Development Plan for MCSF	1/4/2010	1/31/2010															
Organizational Development																	
Establishing necessary legal protocols for the MCSF	3/1/2010	4/30/2010													10,000		
Establish financial control system for the MCSF	3/1/2010	5/31/2010													20,000	3,500	10,000
Develop a facilities and staffing plan for the MCSF	5/1/2010	7/31/2010													8,000	3,500	
Identify and pursue grants from sustainable funding sources	4/1/2010	12/31/2010															
Establish program evaluation capacity for the MCSF	10/1/2010	12/31/2010													10,000	3,500	
Program Delivery																	
Develop website and Information Portal for MCSF	3/1/2010	11/30/2010													55,000	3,000	5,000
Create support protocols and directly staff MCES and MPA Summits	3/1/2010	12/31/2010														7,000	6,000
Provide training workshop on invasive species for Guam and CNMI (with RISC)	8/1/2010	8/31/2010													10,000	10,000	3,000
Establish relationships with traditional and non-traditional women's organizations towards the advancement of women and reevaluating the Beijing Platform for Action (Beijing + 15); Develop Women's Summit	3/1/2010	12/31/2010													10,000		
Develop a regional energy strategy (Green Energy Micronesia)	5/1/2010	12/31/2010															
Expand demographic data set and posters for Palau, RMI and Pohnpei (with IREI)	5/1/2010	12/31/2010													12,000		12,000
Support GIS-based historical mapping analysis of land loss and coastal changes from Climate Change on atolls (with IREI)	5/1/2010	10/31/2010													15,000		
Replicate best practice model for career and technical education on Palau, RMI and Pohnpei with CME	3/1/2010	12/31/2010													25,000	5,000	
Complete Position Paper for proposed Regional Health District with PIHOA	3/1/2010	5/31/2010													40,000		
Regional Strategic Framework																	
Establish the MCSF Summit Implementatopm Revoew Group (SIRG) with one member from each jurisdiction	1/1/2010	2/28/2010															
Facilitate SIRG meetings	3/1/2010	12/31/2010													5,000	47,000	
Compilation of MDG and Parallel Socio-Economic Data set	3/1/2010	8/31/2010													15,000	4,000	
Create An Analytical Matrix of Regional Socio-Economic Status	5/1/2010	8/31/2010													10,000	3,500	
Develop methodology to expand Socio-Economic Impact Assessments of the build-up to all jurisdictions	8/1/2010	9/30/2010													10,000		
Design and delivery of Regional Strategic Framework to the MCES	9/1/2010	11/30/2010													15,000	4,000	

Sub-totals: 270,000 94,000 36,000

LEGEND:

Completed	
Grant Funded Activities	
Self Funded & In-Kind	

Total: 400,000

LAUNCHING A FULLY OPERATIONAL MICRONESIAN CENTER FOR A SUSTAINABLE FUTURE

Modification to Contract Number N10PD40138 – Statement of Work

This modification is covered by all areas of OIA's "contributing goals" which are defined as

1. Improve insular government financial management practices
2. Increase economic development
3. Increased federal responsiveness

Background

The United States Affiliated Islands of Micronesia are experiencing a period of rapid growth, urbanization, westernization and increasing significance to national security. In response to common challenges unique to small island developing states, and given the extraordinary opportunities within the region to preserve, leverage and integrate indigenous, natural, and human resource systems and to establish processes of collaborative governance, the Office of Insular Affairs requests **professional services to provide guidance to the Micronesia Chief Executives' Summit's (MCES) Micronesian Center for a Sustainable Future (MCSF) in its efforts to become fully operational.**

The MCES is composed of the Chief Executives from the Territory of Guam, the Commonwealth of the Northern Marianas, the Republic of Palau, the Republic of the Marshall Islands, the Federated States of Micronesia, and its four states Governor (Chuuk, Yap, Pohnpei, and Kosrae).

Because the Islands of Micronesia are all communities that draw their economic livelihood, social well-being and civic strength from their ocean-based environments, many common activities focus on environmental protection issues and promoting a sustainable economic future.

To enhance and build upon this emerging collective vision, and in order to solidify and implement regional policy goals, objectives and multilateral actions, the establishment of a regional focal point for the jurisdictions within the Micronesian region represented in the MCES, the MCSF was created to serve as an administrative, research, and development center for the entire Micronesian region. The MCSF will serve as the vehicle to ensure that there will be shared knowledge between the nine jurisdictions.

The primary functions of the MCSF will be:

Administration: Serve as Secretariat for the MCES and as a point of contact and facilitation for member jurisdictions; serve as a resource for program development and project management; provide a nexus for information technology, strategic communications and public relations; assist member governments in developing, organizing and planning for bi-annual summits in order to ensure institutional continuity; develop, implement and manage a budget in order to carry out the Center's primary objectives; and provide administrative capacity for sub-regional programs and activities.

Development: Identify and expand indigenous and exogenous systems in order to promote economic and ecological sustainability; and integrate, leverage and synchronize opportunities for private and public sector partnerships within the sub-regional, regional, and international community.

Research and Knowledge Management: Identify and address gaps in data and the characterization of information related to economic, social, environment, and cultural activities; develop databases, vulnerability indexes, cost indexes, geographical information systems and other information systems necessary to ensure a sustainable future for the region, including the development of a clearinghouse mechanisms for the regions; establish a relevant research and executive education degree program at the University of Guam to be aligned with all the existing institutions of post-Secondary Education within the region; collect, integrate and synchronize emerging research, information and opportunities that have the potential to stimulate sustainable development; and, ultimately, serve as a strategic think tank for the MCES.

The MCES's initiatives are the following:

- The Micronesian Challenge;
- The Pacific Islands Regional Recycling Initiative Council (PIRRIC);
- The Regional Invasive Species Council (RISC);
- The Regional Energy committee: Green Energy Micronesia;
- The Regional Telecommunications Committee;
- The Regional Tourism Committee;
- The Regional Transportation Committee;
- The Regional Workforce Development Council; and
- The Regional Health Committee

Scope of Work

This modification relates to the scope of work because services will transfer skills to the MCSF and enhance their capacity capabilities through organizational development activities. In essence, federal responsiveness to the MCSF will promote environmental and economic self-sufficiency in the insular areas by strengthening social awareness, financial, and program performance and accountability, attaining fiscal stability, and achieving economic growth.

Launching a Fully Operational MCSF

The Strategic Planning process has been completed for the initial stage of the MCSF, but substantial effort is required to become fully operational. This request is for professional services to provide deliverables in three key areas:

1. Organizational Development

- Establishing necessary legal protocols for the MCSF
- Establish financial control system for the MCSF
- Develop a facilities and staffing plan for the MCSF
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- Replicate best practice model for career and technical education across the F.A.S. with CME
- Complete Position Paper for proposed Regional Health District with Pacific Island Health Officers Association

3. Regional Strategic Framework

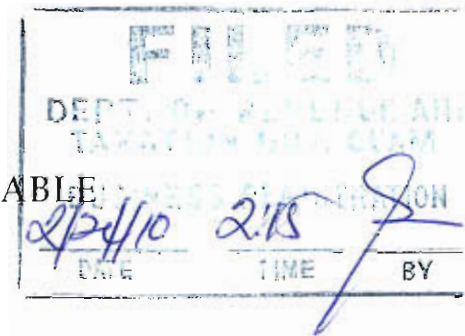
- Establish the MCSF Regional Planning Council with one member from each jurisdiction
- Facilitate Regional Planning Council meetings
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- Create An Analytical Matrix of Regional Socio-Economic Status
- Develop methodology to expand Socio-Economic Impact Assessments of the build-up to all jurisdictions
- Design and delivery of Regional Strategic Framework to the MCES

Project Implementation and Reporting Requirements

The Office of Insular Affairs will receive semi-annually reports on the status of implementing this project from the Graduate School and the MCSF. It is expected that at the end of this project, the MCSF will be recognized as a fully operational center that is capable of acting in its capacity as Secretariat to the MCES and that it is also capable of receiving and effectively implementing projects and contributions for the benefit of improving the political, social and economic condition in the Micronesian region.

ARTICLES OF INCORPORATION
OF
MICRONESIAN CENTER FOR A SUSTAINABLE
FUTURE, INC.

A NON-PROFIT CORPORATION



We, the undersigned incorporators, do hereby associate ourselves together of the purpose of forming a non-profit public corporation under the laws of the Territory of Guam.

ARTICLE I
NAME

The name of the corporation is the "Micronesian Center for a Sustainable Future, Inc."

ARTICLE II
PURPOSES

The purposes and functions of this corporation are as follows:

The United States Affiliated Islands of Micronesia are experiencing a period of rapid growth, urbanization, westernization and increasing significance to national security. In response to common challenges unique to small island developing states, and given the extraordinary opportunities within the region to preserve, leverage and integrate indigenous, natural, and human resource systems and to establish processes of collaborative governance, the member States established two sub-regional Chief Executive Summits; the Micronesia Chief Executives' Summit (MCES) and the Micronesia Presidents' Summit MPS. The MCES is composed of the Chief Executives from the Territory of Guam, the Commonwealth of the Northern Marianas, the Republic of Palau, the Federated States of Micronesia, and, within the Federated States of Micronesia, the States of Chuuk, Kosrae, Pohnpei and Yap. The MPS is composed of the Presidents of the Republic of Palau, the Republic of the Marshall Islands and the Federated States of Micronesia.

Over the past five years, the two Summits have met bi-annually and have issued a series of joint communiqués and related resolutions, letters and associated actions and arrangements. These cooperative arrangements form the basis of an emerging foundation of sub-regional multilateral cooperation and governance.

To enhance and build upon this emerging collective vision, and in order to solidify and implement regional policy goals, objectives and multilateral actions the establishment of a regional focal point for the political entities within the sub-region represented in the two Summits has been advanced to serve as an administrative, research and development center within and for Micronesia.

Because the Islands of Micronesia are all communities that draw their economic livelihood, spiritual well-being and civic strength from their ocean-based environments many common activities focus on environmental protection and sustainable development.

Within this context and framework, the Micronesian Center for a Sustainable Future is envisaged as the vehicle by which the Chief Executives in the Micronesia region ensure that there will be more effective and more coordinated sustainable development strategies and programs based on regional multilateral action, mutual cooperation and shared knowledge. The primary objectives of the Micronesian Center for a Sustainable Future will include the following:

Research and Knowledge Management

- Identify and address gaps in data and the characterization of information related to economic, social, environmental and cultural activities;
- Develop databases, vulnerability indexes, cost indexes, geographical information systems, econometrics modeling and other information systems necessary to ensure a sustainable future for the region, including the development of clearinghouse mechanisms for the region;
- Establish a relevant research and executive education degree program at the University of Guam to be aligned with all the existing institutions of Higher Education within the region;
- Collect, integrate and synchronize emerging research, information and opportunities that have the potential to stimulate sustainable development;
- Serve as a strategic think tank for the Micronesian Chief Executive Summit and the Micronesia President Summit;

Development

- Identify and expand indigenous and exogenous systems in order to advance methodologies for economic and ecological sustainability;
- Integrate, leverage and synchronize opportunities for private and public sector partnerships within the sub regional, regional, national and international community;

Administration

- Serve as the point of contact and facilitation for member governments;
- Serve as a resource for program development and project management;
- Provide a nexus for information technology, strategic communications and public relations;
- Assist member governments in developing, organizing and planning for bi-annual summits in order to ensure institutional continuity;
- Develop, implement and manage a budget in order to carry out the Centers' primary objectives; and
- Provide administrative capacity for sub-regional programs and activities.

The Corporation shall also have all the powers of a corporation as authorized by the laws of the Territory of Guam; provided, however, that this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary purposes.

ARTICLE III PRINCIPLE OFFICE

The principle office of the corporation shall be located in the Municipality of Hagatna, Territory of Guam, and there may be such subordinate or branch offices in such place or places within or without said territory as may be deemed necessary or requisite by the Board of Directors.

ARTICLE IV ORGANIZATION

This Corporation does not contemplate pecuniary gain or profit to the members thereof, and it is organized for non-profit purposes.

ARTICLE V NON-STOCK CORPORATION

The Corporation is capitalized on a non-stock basis. The Corporation shall be operated through monetary contributions and donations of property and services for its purposes as herein stated and for no other purpose.

ARTICLE VI
INCORPORATIONS

The names and addresses of each of the incorporators are as follows:

<u>Names</u>	<u>Addresses</u>
Felix P. Camacho	Governor, Territory of Guam P.O. Box 2950, Hagatna, Guam 96932
Emmanuel Mori	President, Federated States Of Micronesia P.O. Box 34, Palikir Station Pohnpei, FM 96941
Benigno R. Fitial	Governor, Commonwealth of the Northern Mariana Islands Caller Box 10007, Capital Hill Saipan, MPA 96950
H.E. Johnson Toribiong	President, Republic of Palau P.O. Box 100 Koror, Palau 96940
Sebastian L. Anefal	Governor, State of Yap Federated States of Micronesia P.O. Box 39, Colonia, Yap 96943
Robert Weilbacher	Governor, State of Kosrae Federated States of Micronesia P.O. Box 187 Tofol Kosrae, FM 96944
Wesley Simina	Governor, State of Chuuk State of Chuuk Weno, Chuuk FM 96942

ARTICLE VII

DIRECTORS

The names and addresses of the first named Board of Directors are as follows:

<u>Names</u>	<u>Addresses</u>
Felix P. Camacho	Governor, Territory of Guam P.O. Box 2950, Hagatna, Guam 96932
Emmanuel Mori	President, Federated States Of Micronesia P.O. Box 34, Palikir Station Pohnpei, FM 96941
Benigno R. Fitial	Governor, Commonwealth of the Northern Mariana Islands Caller Box 10007, Capital Hill Saipan, MPA 96950
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Sebastian L. Anefal	Governor, State of Yap Federated States of Micronesia P.O. Box 39, Colonia, Yap 96943
Robert Weilbacher	Governor, State of Kosrae Federated States of Micronesia P.O. Box 187 Tofol Kosrae, FM 96944
Wesley Simina	Governor, State of Chuuck State of Chuuk Weno, Chuuk FM 96942

ARTICLE VIII

DURATION

This being a benevolent corporation, its term is unlimited and in perpetuity. The corporation shall have the power to do any lawful act necessary to accomplishing its purposes.

ARTICLE IX

MEMBERSHIP REQUIREMENTS

The members of this Corporation shall be the duly elected and qualified Governors and Presidents representing the Pacific region. The members of this Corporation shall constitute the General Assembly of the Micronesian Center of a Sustainable Future Association. Each member shall also serve on the Board of Directors.

ARTICLE X

VOTING

The principle of unanimity shall apply to all substantive matters to be voted on in all plenary sessions of the General Assembly.

ARTICLE XI

NON-LIABILITY OF MEMBERS

The private property of the members of the Corporation shall not be liable for its corporate debts.

ARTICLE XII

NON-LIABILITY AND INDEMFICATION OF DIRECTORS AND OFFICERS

A. No director or officer of the Corporation shall be liable to the Corporation for the actions, defaults or negligence of any other director or officer, or for any loss suffered or sustained by the Corporation on account of the above, or any action or omission by the director or officer himself as such, unless the same has resulted from his own willful misconduct or willful neglect in the performance of such duties.

B. The immunity from liability provided for in this Article XII and the indemnity provided for in the Corporate By-Laws may be amended from time to time and shall be in addition to any rights to which any director or officer of the Corporation may otherwise be or become entitled, by law or pursuant to the vote of the members of the Corporation or otherwise. Any person who serves or continues to serve as a director or officer of the Corporation shall be deemed to do so in reliance of this Article XII and the above-mentioned by By-Law indemnity.

ARTICLE XIII **DEDICATION**

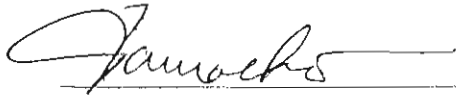
All the property of this Corporation and accumulation thereof shall be held and administered to effectuate its purposes and to serve the general welfare of the Pacific region.

ARTICLE XIV **AMENDMENTS**

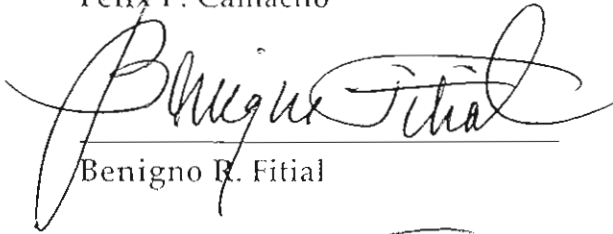
The Articles of Incorporation may be amended by a unanimous vote of the members present at a duly called General Assembly.

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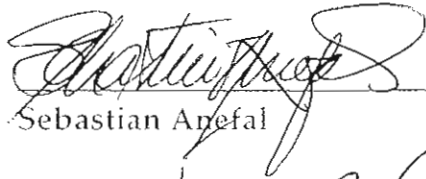
IN WITNESS WHEREOF, the directors of the Corporation have executed these Articles of Incorporation on 4th day of December, 2009.



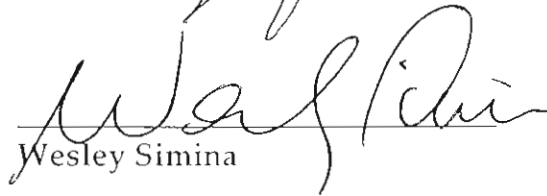
Felix P. Camacho



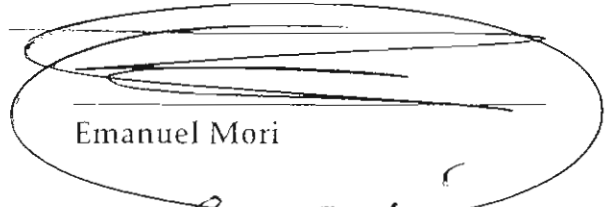
Benigno R. Fitial



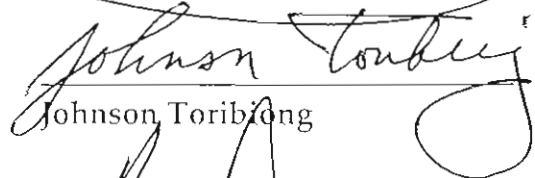
Sebastian Anefal



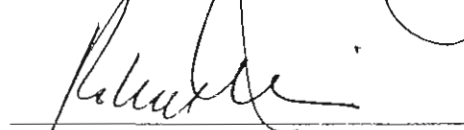
Wesley Simina



Emanuel Mori



Johnson Toribiong



Robert Weilbacher

Tamuning, Guam)

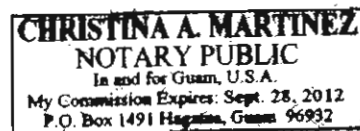
ON THIS 4th day of December, 2009, before me, the undersigned notary, personally appeared Felix P. Camacho, Emmanuel Mori, Benigno R. Fitial, H.E. Johnson Toribiong, Sebastian Anefal, Robert Weilbacher and Wesley Simina, the persons whose names are signed on the preceding or attached document, and acknowledged to me that they signed it voluntarily for its states purpose.



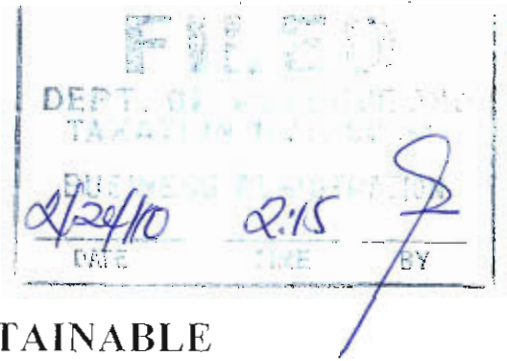
NOTARY PUBLIC

My Commission Expires :

09/28/2012



**BYLAWS
OF
MICRONESIAN CENTER FOR A SUSTAINABLE
FUTURE, INC.
A NON-PROFIT CORPORATION**



**ARTICLE I
MEMBERS**

Section 1. Classes of Membership and Rights. The members shall accept and may remove members from the General Assembly. Members shall be those government states of Micronesia, namely, the Territory of Guam, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Federated States of Micronesia and the Republic of the Marshall Islands and such other Pacific Ocean island states as may be agreed to from time to time, as represented by their respective Chief Executive Officers. No member shall have any interest or property right in the assets of the Corporation and no member shall hold more than one (1) membership in the Corporation.

Section 2. Resolutions and Communiqués. At annual or special meetings, known as general assemblies, the members may approve resolutions espousing the policy of the Corporation on a particular issue, authorizing the Board of Directors to take a specific action or agreeing to undertake mutually beneficial activity.

**ARTICLE II
MEMBERS' MEETING**

Section 1. Annual Meeting. The annual general assembly shall be held in the month of December or on such other date as the members by unanimous written consent may designate.

Section 2. Bi-Annual Summits. Unless otherwise agreed to in writing, the members shall hold bi-annual summits for the purpose of receiving reports and recommendations from its various committees and adopt such Joint Communiqués as they deem necessary to establish policy and instruct the Corporation.

Section 3. Special Meetings. Special meetings of the members, for any purpose or purposes whatsoever, may be called by the President whenever he deems it necessary after consultation with the Board of Directors, or by the Board of Directors, or by a majority of the members.

Section 4. Notice of Meeting.

(a) **Procedure.** Notices of meetings, annual or special, shall be given in writing to members by the Secretary General, or in the case of neglect or refusal, by any director or member.

(b) **Content.** Notice of any meeting of members shall specify the place, the day and the hour of the meeting, and, in case of a special meeting, the general nature of the business to be transacted.

Section 5. Consent to Members' Meetings. The transaction of any meeting of members, however called and noticed, shall be valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if either before or after the meeting each of the members, not present in person or proxy, sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6. Action Without Meeting. Any action which may be taken at a meeting of the members, may be taken without a meeting, if authorized by a writing signed by all of the members and filed with the Secretary of the Corporation.

Section 7. Quorum. A majority of the members entitled to vote, present in person or represented by proxy, shall be requisite for the transaction of business, except for election and removal of directors, amendments of By-Laws, and as otherwise provided by law, by the Articles of Incorporation, or by these By-Laws.

Section 8. Proxies. Every member entitled to vote or to execute consents may do so, either in person or by a properly written proxy filed with the Secretary of the Corporation.

ARTICLE III DIRECTORS; MANAGEMENT

Section 1. Powers. Subject to the limitation of the Articles of Incorporation, the By-Laws and the laws of the Territory of Guam, as to actions to be authorized or approved by the members, all the business and affairs of this Corporation shall be controlled by a Board of Directors.

Section 2. Numbers and Qualification. There shall be such number of directors as may be fixed by the Directors at any meeting thereof. Each member state shall be entitled to one (1) director each. Each director is required to be a resident of its member state and be the duly elected and acting Chief Executive.

Section 3. Election and Tenure of Office. The directors shall be the Chief Executive of each member state and shall serve for one (1) year or until their successors are elected and have qualified for public office.

Section 4. Place of Meeting. Meetings of the Board of Directors may be held at a location designated by the directors.

Section 6. Other Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as are fixed from time to time by resolution of the Board. Notice need not be given of regular meetings of the Board of Directors held at times fixed by resolution of the Board.

Section 7. Special Meetings—Notices. Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President, or if he is absent or unable or refuses to act, by any Vice President or by a majority of directors.

Section 8. Quorum. A majority of the number of directors, as fixed by the Articles of Incorporation or By-Laws, shall be necessary to constitute a quorum for the transaction of business, and the action of a majority of the directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act.

Section 9. Waiver of Notice. When all the directors are present at any directors' meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or, if a majority of the directors are present, and if those not present sign, in writing, a waiver of notice of such meeting, which said waiver shall be filed with the Secretary of the Corporation, the transactions thereof are as valid as if had at a meeting regularly called and noticed.

Section 10. Action Without Meeting. Any action which may be taken at a meeting of the directors may be taken without a meeting if authorized by a writing signed by all of the directors who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Corporation.

Section 11. Compensation. Directors of the Corporation shall serve without compensation.

ARTICLE IV **SECRETARY GENERAL**

Section 1. Election The Board of Directors shall, from time to time, designate a member to serve as Secretary General for the Corporation. The Secretary General shall cooperate in the administration of the affairs of the Corporation.

Section 2. Duties. The Secretary General shall serve as an administrative organ to oversee, coordinate and implement the directions of the Board as communicated through member resolutions and communiqués issued at the Summits. These duties and responsibilities may be coordinated with any Strategic Design Team, or other entity, as may designated by the Board of Directors, from time to time.

ARTICLE V **OFFICERS**

Section 1. Officers. The officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer. The President shall be a director of the Corporation. The Treasurer or the Secretary shall be a resident of Guam. One person may hold two (2) or more offices.

Section 2. Election. Officers of the Corporation shall be elected annually by the Board of

Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. Subordinate Officers, Etc. The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board of Directors may from time to time determine.

Section 4. Removal. Any officer may be removed, either with or without cause, by a majority of the directors.

Section 5. Duties of President. The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board, supervise and control the affairs of the Corporation. He shall perform all duties incident to his office and such other duties as provided in these By-Laws or as may be prescribed from time to time by the Board of Directors.

Section 6. Duties of Vice President. The Vice President shall perform such duties and exercise all powers of the President when the President is absent or is otherwise unable to act. The Vice President shall perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 7. Duties of Secretary. The Secretary shall keep minutes of all meetings of the members and of the directors, shall be the custodian of the corporate records, shall give all notices as are required by law or by these By-Laws, and shall perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these By-Laws, or which may be assigned from time to time by the Board of Directors.

Section 8. Duties of Treasurer. The Treasurer shall have charge and custody of all funds of the Corporation, shall deposit such funds as required by the Board of Directors, shall keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, shall render reports and accounting to the directors and to the members as required by the Board of Directors or members, and shall perform all duties incident to the office of the Treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these By-Laws, or which may be assigned from time to time by the Board of Directors.

Section 9. Compensation. Officers of the Corporation shall serve without compensation.

ARTICLE VI

EXECUTIVE AND OTHER COMMITTEES

The Board of Directors may appoint an executive committee and such other committees as may be necessary from time to time, consisting of such number of its members and with such powers as it may designate, consistent with the Articles of Incorporation and By-Laws and the Guam Civil Code. Such committees shall hold office at the pleasure of the Board.

ARTICLE VII

AMENDMENTS TO BY-LAWS

Section 1. By Members. New By-Laws may be adopted or these By-Laws may be repealed or amended at the annual meeting, or at any other meeting of the members called for that purpose, by a vote of a majority of the members of the Corporation, or by written assent of such members.

Section 2. Record of Amendments. Whenever an amendment or new by-law is adopted, it shall be copied and inserted in the corporate minute book immediately preceding the original By-Laws. If any By-Law is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in said book.

ARTICLE VIII

IMMUNITY AND

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Rights of Immunity. Immunity of the directors and officers of the Corporation shall be governed by provisions relating thereto and included in the Articles of Incorporation of the Corporation.

Section 2. Rights of Indemnification. The Corporation shall indemnify any person, or the legal representative of any person who, by reason of the fact that he is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise,

i. was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigate (other than an action by or in the right of the Corporation), against expenses reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; or

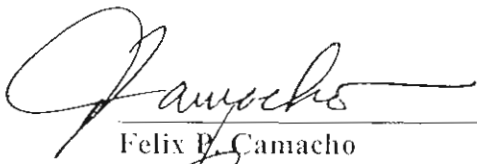
ii. was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expense which the court shall deem proper.

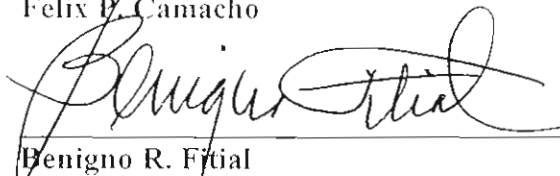
The foregoing rights of indemnification shall be in addition to any rights to which any such director or officer may otherwise be entitled under any agreement, pursuant to any vote of members, at law, in equity or otherwise. Any person who serves or continues to serve as a director or officer of the Corporation shall be deemed to do so in reliance upon the provisions of this Article VIII.

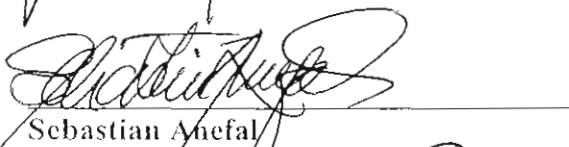
ARTICLE IX
CORPORATE SEAL

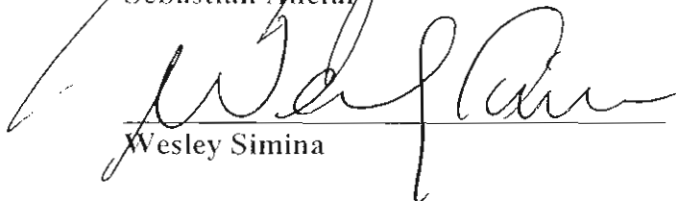
The Corporation may have a seal which shall be in such form and shall contain such matter as may be specified by resolution of the Board of Directors.

IN WITNESS WHEREOF, the undersigned members, representing a majority thereof of the Micronesian Center for a Sustainable Future, Inc., a non-profit corporation, have hereunto subscribed their names to signify their adoption of the foregoing By-Laws.

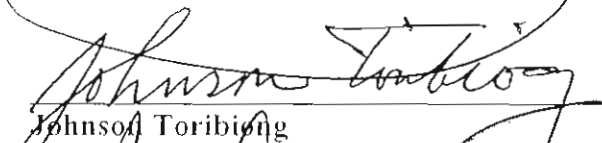

Felix D. Camacho

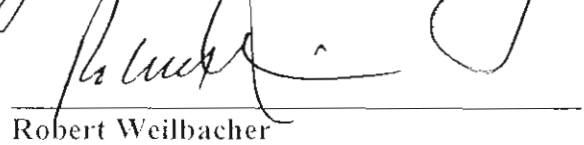

Benigno R. Fitial


Sebastian Anefal


Wesley Simina


Emanuel Mori


Johnson Toribiong


Robert Weilbacher

MICRONESIAN CENTER FOR A SUSTAINABLE FUTURE, INC.

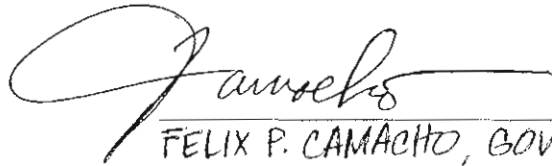
A Non-Profit Corporation

CERTIFICATION OF BY-LAWS

Tamuning, Guam.

The undersigned being duly sworn, states:

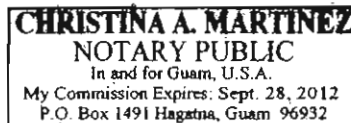
1. That he is the Secretary duly appointed by the aforesaid corporation.
2. That the attached By-Laws were adopted at a joint members and directors meeting on December 4th, 2009, by the affirmative vote of a majority of the members.
3. That the signatures on the attached By-Laws are those of the majority of the members.
4. A copy of said By-Laws is being kept in the principal office of the corporation subject to inspection by the members during office hours.



FELIX P. CAMACHO, GOVERNOR OF GUAM
Secretary

Tamuning, Guam.

ON THIS 4th day of December, 2009, before me, the undersigned notary, personally appeared Felix P. Camacho, Governor of Guam, the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.


NOTARY PUBLIC

The Micronesian Center for a Sustainable Future

Strategic Development Plan

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Secretariat's Forward
The Emergence of Cooperative Governance For Sustainability; with
Micronesia:
The Council of Micronesian Chief Executives
And
The Micronesian Center for a Sustainable Future

In response to challenges unique to small island developing states, the Chief Executives of Micronesia have come together through a common interest to enhance the quality of life for the people of Micronesia while at the same time endeavoring to preserve traditional values. To achieve these objectives the Chief Executives developed two sub-regional Chief Executive Summits; the Micronesia Chief Executives' Summit (MCES) and the Micronesia Presidents' Summit.

The 'MCES' is composed of the Chief Executives from the Territory of Guam, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands and the Federated States of Micronesia (including state governors). The Micronesian Presidents' Summit (MPS) is composed of the President's of the Republic of Palau, the Republic of the Marshall Islands and the Federated States of Micronesia.

Over the past five years, the two Summits have met bi-annually and have issued a series of joint communiqués and related resolutions, letters and associated actions and arrangements. These cooperative arrangements form the basis of an emerging foundation of sub-regional multilateral cooperation and governance.

To enhance and build upon this collective vision, and in order to solidify and implement regional policy goals, objectives and multilateral arrangements, the establishment of a regional focal point has been advanced to serve as an administrative, research and development center within and for Micronesia.

Because the islands of Micronesia are all communities that draw their economic livelihood, spiritual well-being and civic strength from their ocean-based environments, many common activities focus on environmental protection and sustainable development. With this intent, the **Micronesian Center for a Sustainable Future (MSCF)** was created as the institutional framework by which the Chief Executives in the sub-region of Micronesia ensure that there will be more effective and more coordinated sustainable development strategies and programs based on regional multilateral action, mutual cooperation and shared knowledge.

Although organizations such as the South Pacific Regional Environmental Program (SPREP) have offered valuable assistance to Micronesia, their efforts and resources have been directed by plans and priorities devised for their core constituencies in the South Pacific. Therefore, the participating states in the Micronesian Chief Executives' Summit believe that a sub-regional approach to policy development will prove more effective and supportive in meeting the current and future needs of their respective populations.

The islands of Micronesia are scattered across more than two million square miles of the Pacific Ocean. Despite these vast distances they share a common social and economic condition. Inextricably linked through culture, politics and trade, the region has played an important role in world history. The region's strategic location was critical in the development of trade between Asia and North America, and was the Asia/Pacific fulcrum of the last world war.

Today, Micronesia has assumed a heightened security and economic importance because of the global economy and changing international relationships. In addition, due to the rising concern over global climate change, the environmental initiative created and launched by the MCES, called the Micronesia Challenge, which seeks to "effectively conserve at least 30% of the near-shore marine and 20% of the terrestrial resources across Micronesia by 2020" has mobilized the support of the international community.

The recent crisis in financial markets demonstrates the dynamic need to remain on top of both external and internal impacts that impact the people of Micronesia. This is well evidenced by the recent near collapse of the international banking markets and the impact of such near collapse on the international economy. This international market crisis has emerged as a key concern of the Chief Executives.

Although the Pacific Islands Economies are largely shielded from the most immediate effects of the crisis, over the long term, revenue from tourism is likely to see a decline as source economies face challenging times. As new challenges and opportunities emerge, the MCSF will continue to refine and deepen its approach to developing innovative responses and solutions. It is for this reason that this Strategic Development Plan remains – a living document.

The Chief Executive, aware of the significance of the historical moment and the lessons learned from the ravages of war and the ways of the past, envision an independent and sustainable future for all of the people of Micronesia – a gift that they will be proud to leave to generations yet unborn.

1. Introduction

Throughout Micronesia, there is an increasing urgency to develop a robust and focused infrastructure that is sustainable while retaining the region's unique traditional values and respective cultural identities. The Micronesian Chief Executives agreed that a primary instrument to achieve this goal is regional collaboration. It is also agreed that this collaboration must be focused and organized through a sub-regional support organization. For a support organization such as this to be successful, it must be able to pursue new and emerging opportunities for sustainable development and political stability in the region.

This includes, but is not limited to, revenue flow, environmental protection, 'green' development opportunities, renewable energy options, solid waste management, and bio-security. To achieve broad sub-regional goals, the organization must be mandated to improve and/or foster linkages with the global community. It must also be innovative in developing programs of action according to defined priorities as set forth within the Communiqués of the Micronesian Chief Executives' Summits. Finally, it must focus on the retention of positive traditional indigenous systems and values.

The resulting organization, the Micronesian Center for a Sustainable Future will integrate the concerns of the following:

1.1 The 9th Micronesian Chief Executive Summit (April 2008, Palau)

The communiqué resulting from the Ninth Summit focused on identified sub-regional recommendations and statements for the following focal points:

- 1.1.1 The Pacific Islands Regional Recycling Initiative Committee (PIRRIC - solid waste management);
- 1.1.2 The Micronesian Challenge (MC - environmental protection);
- 1.1.3 The Micronesian Regional Invasive Species Council (RISC);
- 1.1.4 The Regional Energy Committee (REC);
- 1.1.5 The Regional Health Committee (RHC) ;
- 1.1.6 The Regional Transportation Committee (RTC);
- 1.1.7 The Regional Workforce Development Council (RWDC);
- 1.1.8 The Regional Tourism Committee (RTC) ;
- 1.1.9 The Regional Zoning Committee (RZC); and
- 1.1.10 Regional Telecommunications (RT).

1.2 Programme of Action for the Sustainable Development of Small Island Developing States (April-May 1994; Bridgetown, Barbados)

1.3 The Mauritius Strategy (January 2005; Port St. Louis, Mauritius)

The Barbados Programme of Action adopted specific policies and actions intended to enable Small Island Developing States (SIDS) to achieve sustainable development. The policies and actions resulting from the conference were intended to "take into account the development, health and environmental

goals, strengthening national institutions, and mobilizing all available resources, all of which are aimed at improving the quality of life.”¹

The Mauritius Strategy, adopted at the 2005 International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, emphasized the need for, and extended the implementation of, the Barbados Programme of Action. The Strategy focused on the rationale that small island developing states (SIDS) "are located among the most vulnerable regions in the world in relation to the intensity and frequency of natural and environmental disasters and their increasing impact, and face disproportionately high economic, social and environmental consequences".

1.4 United Nations Millennium Development Goals

The United Nations Millennium Declaration, adopted in 2000, sought to accomplish the following eight major goals by the year 2015:

- Eradicate extreme poverty and hunger;
- Achieve universal primary education;
- Promote gender equality;
- Reduce child mortality;
- Improve maternal health;
- Combat HIV/AIDS, and other diseases;
- Enhance environmental sustainability; and
- Develop a global partnership.

1.5 Guthertz Resolution – RS. 141

Over the next ten years, the region may experience unprecedented economic growth and along with it an extraordinary influx of almost forty thousand people. This growth will result from the structural realignment of American military power in the Asia/Pacific Region. Guam will be the focal point of much of this realignment activity. While economic growth may be a positive outcome of the expanding military activity, concerns have also been raised regarding loss of cultural identity, social dislocation, strain on resources, environmental damage and the potential for conflict associated with a large regional military presence.

In recognition of these and related issues that may result in dynamic change within the region, the Guam Legislature expressed its support for the MCES initiative to develop policy options to address these concerns. Utilizing the work carried out at previous MCES summits, PIRRIC meetings, and by supporting MCSF staff, Guam Resolution No. 141 was developed and

introduced. The Resolution was unanimously passed by the 28th Guam Legislature. In addition to expressing support for the concept of establishing the Micronesian Center for a Sustainable Future, the Resolution conveyed the Guam Legislature's specific support for the primary objectives of the MCSF including:

1.5.1 Research and Knowledge Management

- Identify and address gaps in data and the characterization of information related to economic, social, environmental and cultural activities;
- Develop databases, vulnerability indexes, cost indexes, geographical information systems, econometrics modeling and other information systems necessary to ensure a sustainable future for the region, including the development of clearinghouse mechanisms for the region;
- Establish a bachelors and masters executive education public policy degree program at the University of Guam, which is to be aligned with all the existing institutions of higher education within the region and the international community;
- Collect, integrate and synchronize emerging research, information and opportunities that have the potential to stimulate sustainable development; and
- Serve as a strategic think tank for the MCES.

1.5.2 Development

- Identify and expand indigenous and exogenous systems in order to advance methodologies for economic and ecological sustainability; and
- Integrate, leverage and synchronize opportunities for private and public sector partnerships within the sub regional, regional, national and international community

1.5.3 Administration

- Serve as a point of contact and facilitation for member governments;
- Serve as a resource for program development and project management;
- Provide a nexus for information technology, strategic public relations and public communications;
- Assist member governments in developing, organizing and planning for bi-annual summits in order to ensure institutional continuity;
- Establish and manage the MCSF financial operations in order to carry out the organization's primary objectives; and
- Provide administrative capacity for sub-regional programs and activities.

1.5.4 MCFS Action

The resolution further endorsed the proposals for partnership between the MCSF and the University of Guam, the establishment of Micronesian

Fellowship program and the selection of the current President of Palau to serve as interim Secretary-General in order to advance the development of the MCSF. The resolution provided that the measure be forwarded with a recommendation of support to U.S. Congresswoman Madeleine Z. Bordallo (D-Guam) who has broad influence over Insular Affairs Policy given her position in the U.S. House of Representatives.

Resolution No. 141 was unanimously adopted by the Guam Legislature and added to the impetus for action on the establishment of the center by region's leaders. At the Ninth MCES in Palau, the resolution was personally presented to the Chief Executives by Legislative Speaker Judith Won Pat, who added her personal endorsement for substantial action by the Chief Executives on this proposal. Reflecting the degree to which the resolution's provisions were in concert with the ongoing deliberations of the MCES, all the major precepts of the Resolution No. 141 were incorporated in the final directives set forth in the Communiqué of the Ninth MCES for the Micronesian Center for a Sustainable Future.

1.6 Critical Focal Areas

The Micronesian Center for a Sustainable Future will be incorporated by the member states as an Intergovernmental Organization pursuant to international law and Article 102 of the United Nations Charter. The Government of the Republic of Palau will serve as the depository for the MCSF charter.

The MCSF will provide the participating states of the MCES with administrative, research and technical assistance capacities that are currently not available. Under the direction of the Secretariat, the MCSF will offer research, policy development, implementation and evaluation assistance to member states while at the same time establishing a development and fundraising capacity which will ensure that the work of the MCSF continues in perpetuity. The MCSF will assist the member states in addressing a number of key challenges to sustainability, both collectively and individually, by initially focusing on the following seven critical focal areas as further delineated below:

- a. Sustainable Economic Development;
- b. Environmental Preservation;
- c. Integrated Sustainable Energy;
- d. Culture and Historic Resources;
- e. Poverty Reduction;
- f. Democracy and Governance; and
- g. Technology and Telecommunications

1.6.1 Sustainable Economic Development

The member states to be served by the MCSF, while belonging to a single economic region, are each at very different stages of development. While all face

similar challenges in areas such as improving infrastructure, lowering energy costs and decreasing unemployment, the individual capacity of each state to do so varies significantly. Some enjoy robust and growing economies and are coping with how best to effectively manage growth. Others are facing economic decline and are searching for ways to stimulate development. Regardless, individually, none of the participating states have economies large enough or developed enough to support progress as rapidly as they could collectively.

Key industries, such as transportation, energy, telecommunications and trade are often as dependent upon the actions of the member states collectively as they are by the actions of each state individually. The MCSF will work to coordinate collective economic development efforts and strategies when the MCES deems it beneficial and will, at the same time, assist member states individually. Acting as a conduit for technical and financial resources, the MCSF will, for the first time, provide for a coordinated means of addressing sub-regional economic development needs while at the same time assisting each of the participating states to achieve its national development goals. The economic development solutions that will be pursued by the MCSF will be sustainable, community based and will encourage local self-reliance and the preservation of existing social and ecological systems. In crafting these solutions, there are two dynamics that must be at the forefront of any consideration of policy alternatives.

1.6.1.a The Impact on Sustainability by the U.S Armed Forces Strategic Realignment in The Pacific:

Sub-regional programs developed to respond to the realignment of U.S. armed forces to Guam and the region will be guided by a uniform strategic plan that the MCSF will formulate and review periodically. The plan will be designed to develop the internal capacities of each of the participating states, reduce the costs for consumers and businesses through economies of scale and maximizing employment opportunities for the residents of each of the participating states. The MCSF will work with the members' states of the MCES to ensure that all members' states, no matter their size or population, will have their concerns and voices addressed at the highest levels of the United States Government.

1.6.1.b Regional Tourism:

The sub-region collectively has more resources to promote the development of its tourism industry than do each of the individual island states. A branding and promotions program for the region to be called "Magnificent Micronesia" is being revived to coincide with Guam's visitor industry branding effort currently underway. Creating equal opportunities for community based eco-sustainable tourism projects and programs of action will be the primary focus of this focal area. An additional component of the program will be the establishment of an integrated yacht and cruise ship customs and immigration program to promote the use of the region as a yachting and cruise ship destination.

1.6.2 Environmental Preservation

One of the fundamental purposes of the MCES is to collaboratively and cooperatively work on a sub-regional basis for the continued preservation of the unique and fragile eco-systems of Micronesia with a particular emphasis on mitigation and adaptation. The MCSF will assist each of the participating states to support their efforts to improve the consistency and effectiveness of environmental protection policies and programs throughout Micronesia.

1.6.3 Integrated Sustainable Energy

The MCES has agreed that establishing a regional energy and alternative energy program is one of its most urgent and highest priorities. This initiative will, at the outset, focus on bulk fuel purchases and coordinated fuel shipments, which will provide immediate relief to consumers and states by reducing fuel cost. At the same time, this requires the development of community-based renewable energy programs that could link island markets and lower the costs associated with renewable energy investments for each of the participating states by developing economies of scale. There are also efforts underway to develop ways to leverage alternative energy sources such as wave, solar, and Ocean Thermal Energy Conversion (OTEC) technology. The MCSF will assist the participating states in achieving their goals of improving the technological capabilities of both the public and private sectors.

1.6.4 Cultural and Historic Resources

Foreign political, economic and cultural incursion into Micronesia have, over the past 300 years, significantly affected traditional, social and cultural systems. Over time, the pace of foreign interaction has increased dramatically. Today, leaders in each of the participating states believe that western and traditional value systems in their communities are coming into conflict. Western expectations inculcated among indigenous Micronesians are placing pressure on local traditional systems, causing breakdowns that increasingly result in social dislocation and increasing incidences of suicide, and drug and alcohol addiction. These negative responses have become a progressively greater concern for Micronesian communities, both at home and abroad.

In this regard, island leaders are concerned that younger generations are losing confidence in traditional systems. Instead of viewing technology and western values as tools to enhance their way of life, too many young islanders are turning away from traditional lifestyles and values. As a result, it is feared that the cultural identity of these societies are threatened. As traditional systems continue to erode, so do the traditional support systems that in the past were relied upon to assist families and individuals in need. In collaboration with each of the participating states, the MCSF will work to establish programs to restore and revitalize both traditional and non-traditional social systems and programs to reduce the social costs of the integration of their societies within the world community.

1.6.5 Poverty Reduction

Poverty in Micronesia usually manifests itself as the poverty of opportunity or hardship rather than starvation or other extreme forms of poverty. Defining poverty by a level of cash income, or a level of cash expenditure is often not appropriate in the Pacific, where most economies include high levels of subsistence production, particularly in some rural areas. However, this economic truth is rapidly changing largely due to the increased reliance on western types of jobs and imported foods. In this modern island reality, the poorest households increasingly become more vulnerable to external shocks, such as the recent food and fuel price increases which threaten the levels of food security and the ability to maintain a minimum standard of living in a highly monetized environment.

Because of this unique island reality, the role of ‘poverty reduction’ in Micronesia must begin with a revised definition of ‘poverty’ as the an inadequate level of sustainable human development, manifested by:

- a lack of access to basic services such as health care, education and clean water;
- a lack of opportunities to participate fully in the socio-economic life of the community; and
- a lack of access to productive resources and income generation support systems (i.e. rural credit , capital, markets, skills, etc.) to meet the basic needs of the household, and/or customary obligations to the extended family, village community and/or the church.

1.6.6 Democracy and Good Governance

The three independent Freely Associated States (FAS)², the Territory of Guam, and the Commonwealth of the Northern Mariana Islands (CNMI), which are unincorporated territories of the United States, all have different political statuses and governance capabilities. Consequently they also have different needs to ensure good governance. In addition, there exists a disparity in their policy concerns and relations with the investment community. The MCSF will provide technical expertise to assist member states in addressing these very complicated issues.

1.6.7 Technology and Telecommunications

All of the participating states wish to “bridge the digital divide” – that is, to improve the telecommunications infrastructure throughout the islands.

One of the greatest challenges faced by the region is the current lack of affordable and available digital telecommunications services. For the FAS states, what services are available are currently transmitted via satellite at significant expense and at slow speed, even though seventy percent of all transpacific

² The FAS are Palau, the Marshall Islands and the Federated States of Micronesia (which are comprised of Chuuk, Kosrae, Pohnpei and Yap).

telecommunication is transmitted via fiber optic cable through Guam to Asia and Oceania.

A number of proposed projects are currently underway throughout the sub-region to bring high speed telecommunications through submarine cables to Micronesia. The MCSF will work to assist in the timely implementation of these plans as well as assisting the CNMI with developing a redundant cable capacity. The work of the MCSF will emphasize bridging the digital divide and using technology and telecommunications as a tool to assist the people of Micronesia improve the quality of their lives. Tele-Medicine and distance learning initiatives will play a key role in improving the quality of life through enhanced telecommunications services.

A key element of this effort will be to establish and maintain critically needed scientific laboratory facilities and personnel in the region to facilitate improved bio-security and GMO³ research. There is currently a plan to develop a main laboratory in Guam, with secondary laboratories available in other islands. This type of research is particularly necessary due to local and trans-boundary issues which have the potential to affect the regional economy and/or the environment.

³ Genetically-Modified Foods and Organisms

1. The Organization

2.1 Expectations

The MCES has established a number of expectations that the MCSF is to fulfill:

- To provide administrative support to the MCES and the MCES process in addition to administrating the operation of the MCSF;
- To establish a network which links scientists, policy makers and businesses to a portal that will facilitate the sharing of information and the development of cooperative development strategies for the member states of the MCES;
- To develop a strategic alliance with the University of Guam as part of a matrix of partnerships with research and higher learning institutions; and
- To work with the University of Guam to establish a post graduate policy and management masters program tailored to the needs of Micronesia.

At the conclusion of the Ninth Micronesia Chief Executive Summit, a Secretariat for the MCSF was appointed and a planning committee established to develop the MCSF as an organization. The planning committee developed a plan creating the MCSF as an inter-governmental organization that would be accountable directly to the MCES.

The mission and vision statements for the organization were designed to support what is essentially an economic and social development organization. It is intended to be proactive and base its success upon tangible evidence of economic and social improvement in the sub-region.

2.2 Our Vision, Our Mission, Our Values

Our Mission

The Micronesia Center For a Sustainable Future is an inter-governmental Organization which plans for, and enhances, the quality of life throughout its member states while preserving each states diverse culture.

Our Vision

Is of a sub-regional inter-governmental organization committed to helping create a healthy, prosperous region for current and future generations.

We will work to assist the heads of states and governments in Micronesia develop and implement local and sub-regional programs of action.

We understand the integral nature of policy development, implementation, economic activity and interpersonal relationships. The report of the global conference on the Sustainable Development of Small Islands Developing States issued by the United Nations General Assembly – The Barbados Programme of Action – is our basis of advocacy and action.

We are committed to local and sub-regional empowerment as a means to global sustainability

Our Values

In order to achieve our vision, the MCSF will pursue its mission via the following key set of defined core values:

To promote and sustain the social and spiritual values of the people of Micronesia;

To relentlessly pursue new opportunities in ways that sustain the social and spiritual values of Micronesia;

To be continuously engaged in pursuing policies and programs of action based upon innovation, adaptation and learning;

To act boldly, without being limited by resources currently in hand; and

To demonstrate accountability to the constituencies served and for the outcomes created.

Foremost, the MCSF will pursue a mission to create and sustain the social values and objectives of the entire sub-region. It will be dedicated to a process of continuous innovation, adaptation and learning, while exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created. The MCSF

will recognize and relentlessly pursue new opportunities to achieve its goals, doing its best to be competitive using all resources available.

2.3 Strengths, Weaknesses, Opportunities, and Threats (SWOT)

2.3.1 Strengths

The MCSF will have vision statement, and will have a stable organization created with strong political support. On top of governmental backing, it will also be supported by the University of Guam – the largest university within the Micronesian region – and possess strong partnerships with other various public and private entities.

With this, as well as its accessibility, administrative/managerial capacity and outstanding leadership, the MCSF will have the ability to mobilize diverse resources and raise funds between islands and thus accomplish its vision.

2.3.2 Weaknesses

Due to the regional nature of the organization, it follows that day-to-day operations will be relatively more difficult than one with a strictly local focus. The member states have diverse agendas – both organizational and political – as well as different stages of development. Reaching a consensus on priorities will therefore be challenging. Achieving cooperation on regional efforts will require continuous attention. This is in large part due to the fact that indigenous resources of the region are scarce and not uniformly distributed. Some island states have more money and human resources than others. Additionally, the leadership of the MCSF will be affected by distinctly different political processes. These different systems will elect new leaders at different points in time challenging the process of accession and continuation of longer term objectives.

2.3.3 Opportunities

All of the islands within the Micronesia region are poised to experience benefits from the military buildup on Guam and the sustainable development of the natural resources of the region, not to mention the undeveloped potential for eco-tourism of the region. In addition, expanding sub-regional and regional cooperation with the larger international community offers unique assistance opportunities.

Such opportunities should work to increase the organization's ability to access funding from foreign public and private sources. These economic opportunities will best be realized through sharing technical resources and information. By working together as a united sub-region, it will be possible to take advantage of economies of scale, generating greater revenue for the islands collectively while using fewer resources than would be possible by individual states alone, as has been undertaken in the past.

The members are cognizant of the problems with inter-island cooperation and shared leadership, and have agreed to work more effectively at developing a shared vision on common issues – such as energy, labor and the improvement of living standards, as well as other issues unique to small island states. A real opportunity exists for the members to work as a regional community. Within this context, members continue to recognize unique national interests that require national solutions.

2.3.4 Threats

As with any organization, there is a risk of the MCSF institutionalizing in a manner that hampers adaptation, innovation and responsiveness. Great care needs to be given to prevent such an occurrence.

Taking care to meet its mission and avoiding counter-productive activities is critical, as MCSF will face competition from other inter-governmental organizations for funding and involvement in the region. Efforts from the outside can work to hamper cooperation among the participating states and alter the priorities of its leaders. In the end, the lack of participation by the member states will strongly threaten the ability of the MCSF to pursue a regional policy of sustainable social and economic development.

The military build up in Guam will also draw labor and talent away from the smaller islands because of emerging off-island job opportunities. Care must be taken to mitigate the impacts of such migration.

2.4 **Headquarters**

The MCSF will initially have two official locations. The primary offices of the organization will be in Palau. International partners have already expressed an interest in funding the development of buildings in Palau to house the operation of the organization. The secondary and complementary location of the organization will be at the University of Guam.

The offices of the MCSF will house and support the following functions of the organization:

- Administration;
- Development and management of a regional data center;
- Technical assistance for policy development;
- Management of social and economic development, including programs of action; and
- Enhanced fundraising capacity.

2.4.1 Administration

The MCSF will house the permanent staffing of the MCES, in addition to pursuing policy development and programs of action on behalf of the MCES. The staff will be responsible for administrating the summits of the member states and providing the institutional support necessary to formalize the MCES as an organization and providing the executive assistance necessary to formulate and execute its policies.

In addition to providing the legal, accounting and administrative support to further the mission and vision of the MCES and the MCSF, the offices of the MCSF will also provide a facility for the administration of the specific programs and policies identified as a priority by the MCES. In support of such efforts, the MCSF will:

- Identify new and emerging funding and development opportunities that are appropriate for the region;
- Provide grant writing expertise on behalf of the member states and the MCES as an organization;
- Undertake evaluation of programs under the purview of the MCES;
- Provide marketing and promotion of the MCSF in the region (efforts would include developing a brand identity and increasing awareness among member states of the functions and benefits of the MCSF);
- Provide policy research and development dedicated to capacity building and the pursuit of economic and social development opportunities; and
- Undertake strategic planning.

2.4.2 Development of a regional data center

A key component of the MCSF'S mission is the development and management of a regional data center that will allow information to be shared and compiled to assist with the development of policy and programs in a number of areas. For example, data compilation will include:

- National and sub-regional waste management data;
- National and sub-regional data on invasive species;
- National and sub-regional data on natural resources management, both terrestrial and marine, including the percentage of effectively protected areas, migratory fish stocks, coral bleaching, endangered species, among other natural resources data relevant to ensuring the protection and effective management of the unique resources of the region over the long-term; and
- Demographic and economic data collection, management and standardization.

The data center will be a cooperative effort between MCSF and the University of Guam and will be co-located at the University of Guam and at the MCSF office in Palau. The objective of the program is to establish an information portal and archive of demographic, economic and environmental information. As empirical data is collected in the course of policy action plan development, as well as

program evaluation, information will be placed into a central repository in a fashion that will afford participating states easy access to the information.

2.4.3 Identification and supervision of programs of action

Offices of MCSF will provide a central location for administering programs of action initiated by the MCES on behalf of participating member states. Initially the offices will serve as a central administration location for the Micronesia Challenge and provide a platform for the programs such as PIRRIC and RISC.

2.4.4 Fundraising

The central MCSF office in Palau will also house a grant writing and administration capacity currently not available to the member states. The MCSF will provide technical assistance for writing grants and administration of public and private sector grant proposals and programs. The service would be provided to each participating state as well as the sub-region as a whole.

An important component of this process will be the establishment of an endowment for the center to facilitate ongoing program funding. This regional endowment will be created to provide resources for local match requirements of grants from governments and to provide a receptacle for charitable contributions.

This division of the MSCF will also provide a platform and legal structure for creating private/public investment and grant programs designed to assist the member states and the region with infrastructure, economic development and the expansion of private based services to assist the underserved in the region.

2.4.5 Policy Development and Strategic Planning

A central focus of the MCSF will be policy development in a number of key areas such as general economics, technology, communications and trade. The offices of the MCSF in Palau and at the University of Guam will work together to develop evidence-based policy initiatives. Research and policy development based upon empirical and systematic qualitative research will be coordinated through both MCSF offices.

3 Strategic Initiatives and Objectives

3.1 Program Development

3.1.1 Programs of Action

One of the most important initiatives of the MCSF will be to develop programs of action derived from strategic priorities established by the Chief Executives. The hallmark of these policies, made operational through these programs of action, will be that they are constructed from empirical and professionally collected qualitative evidence. The programs developed will be based upon current economic and social data that MCSF will collect. MCSF will, at the same time, install systems to insure that similar information is competently collected in the future. This will ensure that the successes and challenges to these programs can be better enunciated and understood and that knowledge can be shared and used to promote future research.

The MCSF will act as a conduit for industry research to be coordinated with academic research to offer a broad and deep resource to assist policy development. The MCSF will immediately embark upon a regional socio-economic analysis that will establish a baseline understanding of:

- Changes in community demographics that effect the region;
- The condition of the sub-region's public infrastructure;
- The condition of the communications, transportation, retail, wholesale, services and housing sectors in participating states and in the sub-region as a whole;
- The nature and size of the demand for public services with a focus on social services;
- Changes in employment and income levels; and
- Changes in the aesthetic quality or culture of the communities that constitute the sub-region.

This baseline analysis will provide the foundation for the development of a sub-region strategic plan to address the issues of priority identified by the MCES. The strategic planning process will provide direction to the MCSF's policy development program. These policies will incorporate the insight and expertise of local, regional and international experts and researchers from many fields who will be attracted to the MCSF because it is a source of primary data and because of its dedication to innovation. This network of expertise will constitute what the MCSF will refer to as a "think tank." The policy development initiatives of the MCSF will evolve along with changes in social and economic needs.

Based upon these policies, specific programs of action to bring these policies to life will be developed using a blend of private sector and academic expertise to link applied research with public and private sector programs specifically designed to implement the policies approved by the MCES.

At the same time, this division of the MCSF will devise program evaluation procedures and standards that will credibly measure the successes and challenges that result from the programs of action that are devised. In doing so, the necessary foundation for competent management of grant and investment funds provided to the MCSF will be created.

In line with the MCES directives, the program development initiatives of the MCSF will partner with relevant agencies and organizations within member countries and regional and international bodies to:

- Identify policy and program priorities of the sub-region;
- Develop specific action programs;
- Establish implementation strategies; and
- Provide program evaluation services to measure progress in meeting the objectives of the region's strategic plan.

3.1.2 Program Coordination and Support

Programs of action devised by the MCSF will, at times, be administered both nationally and regionally. In addition to providing technical assistance in developing policies and programs of action, the MCSF will also provide the capacity to the MCES to coordinate local administration of programs to increase the consistency of program implementation and to provide direct support to programs in need of assistance in meeting the specific objectives of the programs in a particular state. The MCSF will provide funding and technical expertise to states and non-governmental organizations (NGO'S) selected to administer programs of action.

To determine the types of assistance likely to be required, a regional audit of each of the participating states will be undertaken using the FAS model (National Capacity for Self Assessment). Based upon the findings of this regional assessment, funding and technical assistance will be provided to assist states and NGO'S in meeting the objectives of the regional strategic plan. These resources will be used to establish a coordinated approach in implementing the various programs of action that are devised. They will also be used to provide technical assistance and training for administrators of these programs throughout the region.

The specific objectives of this function of the Program Development Initiative will be:

- To audit the institutional capacities of sub-regional entities using the FAS model (National Capacity Self Assessment);
- To establish a strategy to coordinate administration of sub-regional and regional entities tasked with implementing the programs of action that are devised; and
- To provide technical assistance and training support for sub-regional programs.

3.1.3 Capacity Building

In order to maximize economies of scale in pursuing the strategic plan of the MCES, it follows that specific states will require different levels and types of assistance in meeting their objectives. The MCSF will provide the means of reviewing the region as an entity, identifying the unique challenges faced by specific states and working with each state to build the institutional capacities, both in the public and private sectors, to allow all of the states to maximize the benefits of the various programs of action that are selected for both the states and region. The success of the region in achieving the strategic plan will be based upon the success of each of its member states in achieving the objectives it identifies. Capacity building within each of the states to achieve their objectives will be a key focus for the Program Development initiative of the MCSF.

Concurrently, the MCSF will continue to restructure to meet the needs of what is expected to be the growing requirements of each of the participating states. Utilizing the same approach that is applied to client states and NGOs, the MCSF will have an ongoing evaluation and review procedure of its own operation to insure it is meeting the objectives of its funding sources and adequately meeting the needs of the participating states. Independent management and program evaluation services will be contracted to continually improve and refine the services provided by MCSF and to build capacity in the region. In order to identify program priorities, there needs to be an official assessment of key areas within both the member states and the MCSF, starting with:

- Human resources;
- Evaluation skills;
- Infrastructure for the states and for the MCSF; and
- Institutional controls.

3.2 **Research & Knowledge Management**

In cooperation with the University of Guam, the MCSF will create a regional data center and think-tank. This will help to foster training for policy, leadership and communications. The regional data center will serve as a communications portal and data archive that will be jointly housed in Palau and at the University of Guam. Its design and deployment will be contracted to the University of Guam as part of the MCSF's institutional capacity building program. Additionally, links and agreements with other regional educational and research institutions will be established as well as specific arrangements with key private sector knowledge based organizations involved in recognized research efforts relevant to the implementation of the strategic plan of the MCSF. This matrix of research and applied development expertise will be broad and deep and will be constituted by an invited listing of companies, researchers and institutions that share the vision of the MCES and are dedicated to the successful implementation of the strategic plan established by the MCES.

Finally an important outcome of this initiative will be the development of a public policy masters program for practitioners at the University of Guam. The purpose of

this program is to provide leadership, management and policy training to economic social development practitioners in the region. The specific objectives of Research and Knowledge management initiative of the MCSF will include:

- Establishment of a Memorandum of Understanding with the University of Guam⁴;
- Expansion of partnerships with other regional, national and international institutions of higher learning;
- Establishment of a regional data center;
- Establishment of an executive bachelors and graduate program in public policy for energy and sustainable development for staff and stakeholders of the MCES;
- Fostering of policy, leadership and communications training; and
- Development of the MCSF “think tank.”

3.3 Administration

In order to operate competently on a day-to-day basis, the MCSF needs to provide staff services and establish administration and development capacities for finance, strategic planning, policy and program development, evaluation, fundraising and institutional capacity building.

This initiative of the MCSF will be accomplished through an action plan that will:

- Establish the MCSF as an organization and provide the MCES with a comprehensive legal structure;
- Develop a staffing and facilities plan for the MCSF identifying the costs and structure most effective in meeting the mission and fulfilling the vision of the MCSF;
- Devise a comprehensive financial system, to include budgeting, auditing, financial control and grants administration;
- Conduct a socio-economic analysis of the region and its member states;
- Develop a strategic plan for the sub-region based upon the findings of the socio-economic assessment as the foundation for its policy priorities and the resulting programs of action;
- Develop a policy development and evaluation capacity;
- Establish a grant writing and fund raising capacity at the MCSF that will be capable of soliciting and managing grants as well as developing private debt and equity investment programs for the benefit of the region and each of the member states; and
- Establish a communications strategy to build the brand for MCSF and communicate its benefits to the member states and the international community.

3.4 Communications

⁴ Upon establishment of this formal partnership, exclusive to the MCSF, the latter is expected to have easier access to the University’s connections to other educational institutions and as such be able to expand.

Once developed, the MCSF must communicate the mission and vision of the program to its regional and international constituents. This initiative will involve developing a “brand identity” for the MCSF and establishing a communications program to reach out to regional and international stakeholders. The specific objectives of this initiative will include the following.

3.4.1 Establishment of Information Portal

This will be a website which links to the database, intended to:

- Provide a regional approach in Palau and the University of Guam;
- Provide socio-economic data about the region;
- Provide information about the MCSF programs of action, such as the Micronesia Challenge, PIRRIC and RISC; and
- Provide a full-scale network designed for information sharing and data exchange over the internet.

3.4.2 Outreach and Education

- Inform sub-regional organizations about the MCSF;
- Inform private sector, sub-regional, regional, national and international stakeholders through a series of conferences announcing and discussing the significant findings of the regional socio-economic analysis, the strategic plan and the resulting recommended strategies and programs of action;
- Communicate the components, rationale and tools for sustainability; and
- Communicate the policy priorities of the Chief Executives.

3.4.3 Branding and Marketing

- Develop a branding plan and program to create a compelling look and feel for the MCSF as a brand which is ecological, human and distinctly Micronesian; and
- Communicate the mission and activities of the organization throughout Micronesia through a series of conference and communications devices including collateral material and web based information systems.

4 Action Plan

4.1 Overview

The MCSF has been mandated by the MCES to implement the strategic development plan within two years. During this two year period, the MCSF will focus on the following two work paths concurrently:

- Program delivery (inclusive of technical assistance and planning); and
- Institutional development.

This dual workflow system is designed to assure that services beneficial to the region will immediately be evident and realized upon the formation of the MCSF. The key milestones for each work path for the first two years are outlined below:

The goal of completing these two simultaneous work flows will be the recognition of the MCSF as an innovative intergovernmental organization with proven and dynamic performance in:

- Regional strategic socio-economic assessment and planning;
- Regional policy and program development, support, management and coordination;
- Program evaluation;
- Fundraising through public and private sector grants and aid;
- Data management and knowledge development; and
- Services as a regional socio-economic development IGO.

Upon the completion of the first phase, MCSF will be prepared to:

- Review its strategic plan;
- Establish a five-year program; and
- Provide the programmatic elements necessary to initiate implementation.

For these reasons, the initial budget for the MCSF will be designed to accommodate both the initial program delivery and institutional development functions of the organization.

4.2 Program Delivery

The MCSF will initiate the provision of service in a manner that will both provide immediate technical and planning assistance to the development and operation of a number of key programs. This system will build the institutional capacity to sustain such efforts on a long-term basis. The members of the MCES will immediately see the benefits of their involvement in the MCSF through an action plan that immediately puts into operation the kinds of services MCSF will provide through existing programs and those near to implementation that are important to the

MCES. Specifically, the action plan will address the following projects immediately upon its incorporation:

4.2.1 Socio-Economic-Analysis

The member states of the MCES are committed to an empirically based planning and development process. This will start with the development of a comprehensive socio-economic analysis of the region inclusive of each of the member states. The project will be used to assemble economic development experts familiar with the region to assess the current state of each of the member states economies. The purpose of the analysis will be to determine:

- The demographic changes effecting the region;
- The status of each state's public infrastructure;
- The quality and capacity of communications, transportation, retail, wholesale, services and housing sectors in participating states and in the Micronesia as a whole;
- The demand for public services with a focus on social services;
- Employment and income changes; and
- Challenges to the aesthetic quality or culture of the communities that constitute the sub-region that are of priority to the member states.

The socio-economic analysis will coordinate the resources of private contractors with the University of Guam, MCSF staff and planners in each of the member states. The project will provide base-line data to guide policy development and program evaluation. The analysis will be paid for through initial funding sought for the MCSF to incorporate and initiate operations. Upon completion of the socio-economic assessment, a regional strategic plan will be developed.

4.2.2 Capacity Assessment

The capacity assessment will be undertaken in conjunction with the socio-economic analysis. A capacity assessment of each of the member states of the MCES will be conducted. The assessment will determine the capabilities of each of the states to manage the implementation of regional policy initiatives. Specifically, the assessment will review and make recommendations as to enhancements that will be required for each of the member states to implement their part of the strategic plan. The assessment will concentrate in the following areas.

- Human resources;
- Evaluation skills;
- Infrastructure for the states and for the MCSF; and
- Institutional controls.

This initial phase of identifying current conditions, establishing policy priorities through strategic planning and formally assessing the capacity of the region to

implement the plan will require two years to complete. During that time, action plans already underway will continue to be managed. These programs, already established by the MCES will be assisted and coordinated by the MCSF as it conducts the baseline research and planning activities necessary to move the region forward.

4.2.3 Strategic Plan

The regional strategic plan will determine the policy priorities and focus for the MCSF in the first two years of its existence. The member states will work with the MCSF to establish which policy areas will be priority for the MCES, and where MCSF technical assistance resources will be spent. Its purpose will be to offer a clear understanding to the member states and the international community of exactly what the MCES will be doing to enhance living standards and the economies of the region. Based upon the findings of the socio-economic analysis and the capacity assessment, the strategic plan will set forth the recommended economic development, capacity building, and social development policies of the MCES in the near to medium term.

4.2.4 Implementation of key MCES Programs

4.2.4.a The Micronesia Challenge

The Micronesia Challenge is a commitment by the Chief Executives of the Republic of Palau, the Federated States of Micronesia, the Republic of the Marshall Islands, the U.S. Territory of Guam, and the Commonwealth of the Northern Mariana Islands to: “effectively conserve at least 30% of the near-shore marine and 20% of the terrestrial resources across Micronesia by 2020.”

Covering 6.7 million square kilometers of ocean, the Micronesia Challenge represents more than 20% of the Pacific Island region – and 5 percent of the largest ocean in the world. The Micronesia Challenge will help protect at least 66 currently identified threatened species, 10 percent of the global total reef area and 462 coral species – that is 59 percent of all known corals.

The Micronesia Challenge (MC) was signed by each of the five Chief Executives in early 2006 and was officially presented to the international community at a high level event at the Conference of the Parties under the United Nations Convention on Biological Diversity in March of 2006 in Curitiba, Brazil.

The following is the current structure of the MC Management Regime:

- The Regional MC Coordination Office is hosted by Palau.

- The Micronesian Conservation Trust, located in the Federated States of Micronesia, is the designated regional endowment management facility for the MC.
- Each of the five jurisdictions has a designated MC National Focal Point that deals with the day-to-day management of the regional activities.

Goals of the Micronesia Challenge include:

- A \$12 million sub-regional endowment that will provide supplemental revenues to the jurisdictions to achieve the goals of the challenge;
- Undertaking of all necessary action to ensure the effective implementation, management and funding of the MC over the long term;
- Development of community-based, national and international public awareness and education programs; and
- Development of a base-line and monitoring database to assess, over time, the progress of the MC within each jurisdiction.

4.2.4.b PIRRIC

The Pacific Islands Regional Recycling Initiative Council (PIRRIC) was created in 2003 to address environmental and sustainable solid waste issues in Micronesia, in a series of interlinking resolutions to promote collaboration, synergize existing programs, unify and mobilize resources and provide technical assistance. Its objective is to work towards a sustainable mechanism with partners to alleviate the disadvantages of Small Island Developing States (SIDS) with respect to waste management.

The partnership's existing agreements and multilateral resolutions arise out of the ability of each stakeholder to locally determine the purpose and accessibility of environmental solutions. The purpose of the Council is to accomplish the following action items:

- Provide a forum for waste management;
- Promote the implementation or augmentation of viable integrated solid waste management plans;
- Collaborate with the private sector on waste management;
- Produce a comprehensive regional solid waste action plan (RSWAP); and
- Oversee the implementation of the RSWAP.

The RSWAP is expected to include a program development and capacity building component, which includes information on waste assessments, institutional controls, environmental mentoring and infrastructure capacity. The capacity building component of this initiative includes the sharing of resources, inclusive of partnerships with national governments and other donors. For example, the United States Department of Interior, Office of Insular Affairs, is providing funding for technical and operations training on solid waste management at no cost to member islands. In addition, the RSWAP will incorporate strategies for public outreach and education and financing.

The multi-sectoral partnerships component of this initiative describes the current collaboration with a multinational steel trading company with offices in Guam, CNMI and Palau, scrap metal companies on Guam, shipping companies, and member islands in the removal and consolidation of recyclable materials at little to no cost to the member island for processing and shipping. Moreover, this partnership encourages economic sustainability through the development of partnerships with local recyclers.

Another goal of the Council is to improve the communications and dissemination of information by fully implementing the PIRRIC-Green Island Alliance website and using it to its maximum potential. The website is expected to extend beyond the conventional portal by creating opportunities for SIDS and potential markets, making available guidance on specifications for contractual services and enhancing opportunities for members to actively engage and discuss challenges and solutions. The website is expected to be self-sustaining through support by partners.

4.2.4.c RISC

The Micronesia Regional Invasive Species Council developed a five-year strategic plan in January of 2007, which plan shall guide the MCSF in its initial support efforts. The Mission Statement of the RISC is as follows:

To cooperatively strengthen RISC member capacities to enable effective prevention, detection, eradication and management of invasive species and restoration of native ecosystems in order to ensure bio-security and public health and to protect economic, environmental, agricultural, and cultural resources throughout the lands and waters of Micronesia.

Goals under this plan include:

- Promote public awareness through increased education on invasive species issues;
- Increase communication and cooperation among RISC members and partners on invasive species issues;
- Update and provide recommendations to RISC member Chief Executives on issues of invasive species policy and management; and
- Develop human and financial resources to implement RISC goals; and
- Expand RISC membership to include all jurisdictions in Micronesia.

For the above three projects, the Micronesian Center for a Sustainable Future should:

- Support each project's respective communications plan through the planned regional data center and MCSF website ; and
- Provide support for continued management and IT requirements.

4.2.4.d Regional Energy Committee

Building a vision for sustainable energy in Micronesia is an urgent matter due to both global warming and the increasing cost of petroleum based fuels. In addition, sustainable energy is increasingly viewed as a vehicle for poverty reduction. The islands of Micronesia are spread over huge expanse of ocean covering thousands of miles. These distances from primary and secondary sources of energy production and from one another frequently and increasingly make the transportation of fuel costly and impractical.

This increasing economic impact from the purchase of petroleum based fuels has an impact on island nations at every imaginable level. At the minimum, skyrocketing energy prices that drain household income in turn puts further and growing pressures on already strained familial, social and public assistance systems. At the national level, governmental programs must increasingly expand limited finances on the cost of energy. On many smaller islands with small populations, where no current system of energy generation exists at all or in limited amounts, the high cost of fuel severely limits the potential to bridge the current energy divide.

Fortunately, the revolution in renewable energy technology now makes it possible to design and build affordable renewable energy systems that can supply power not only to the most populated cities, but also the least advanced villages, in Micronesia. The bio-sphere in which the islands of Micronesia are situated contain enough sources of domestic renewable energy that, if developed, has the capacity to transform the way we live, work and play for generations to come. In light of all of these concerns and possibilities, the Chief Executives have made the implementation of a Program of Action for the development of renewable energy throughout Micronesia a very high priority.

In order to pursue this primary objective of the Chief Executives, the MCSF will, in its first two years, pursue:

- The establishment of a charter and an organizational structure for this program of action, the “Pacific Islands Regional Integrated Sustainable Energy Council” (PIRISEC), that takes into account all of the member islands and regional stakeholders;
- The development of a feasibility study for the immediate implantation of a sub-regional and/or regional Bulk Fuel Purchase Initiative;
- The development of a regional feasibility study that focuses on the implementation of an integrated renewable energy Program of Action on every inhabited island within the member states; by leveraging and integrating local, regional and international resources and by establishing appropriate pilot projects; and
- The establishment of the REN 21 (Renewal Energy for the 21st Century) Micronesia Network in conjunction with the PIRRIC-GIA information portal and the U.N. REN 21.

4.2.4.e Regional Tourism Development Plan

The Tourism Committee under the MCES has already begun the process of improving and expanding sub-regional cooperation and action. A primary issue for successful cooperation revolves around identifying long-term funding options to permit sub-regional strategies. Within this context, the Committee has identified a number of strategic priorities, as follows:

- Pursue a market study on cruise line and yacht tourism;
- Fund and implement the Magnificent Micronesia Branding Project;
- Secure funding from National and State Tourism Offices in FY 2009 to 2011 (3 years installment plan);
- Improve the Regional Awareness Campaign through press releases, familiarization tours, press kits sales calls, seminars and coordination with the PATA Micronesia Chapter Marketing Committee;
- Acquire sole ownership of the domain name www.magnificentmicronesia.com and to modernize the web page;
- Secure annual funding from National and State Tourism Offices for implementation and re-launching of www.magnificentmicronesia.com, starting from fiscal year 2009;
- Support funding through National and State Tourism Offices to expand state, national and regional training workshops;
- Develop strategies to tap into the military buildup in Guam;
- Support funding through National and State Tourism Offices for production of 'Destination e Guides' at the state and national levels; and
- Seek approval of the three years (FY 2009 to 2011) Regional Awareness Campaign.

4.2.4.f Telecommunications

- Bridging the Digital Divide

In order for all of the islands to achieve economic development, web-based educational opportunity and prosperity it is imperative that they have access to high speed telecommunications. Modern technology requires the installation of submarine fiber optic cable. Due to the high cost of such a system it is necessary to gain the involvement and financial assistance of the international community.

- Telemedicine

Because their relatively small populations are dispersed over hundreds of islands, providing the people of Micronesia with access to the highest quality medical care is an ongoing challenge. Telemedicine provides a realistic and cost effective means of surmounting this challenge. By building the necessary telecommunication infrastructure, links and institutional relationships, we can bring the best of off-island clinical care to the people of our islands. Video conferencing and digital transfer of CT-Scan and MRI (medical resonance image) scans will provide patients

with access to diagnostic care from off-island medical specialists. Over the long term, telemedicine can also improve a broad range of medical services including surgical procedures and training. Activities that will enhance the effort to bring telemedicine to our islands include:

- Work with regional governments and medical institutions, determine the initial target communities within Micronesia to establish or augment telemedicine services and establish timelines for implementation;
 - Identify and develop private and public sector funding opportunities to finance the acquisition of the required telecommunication infrastructure and provide long term sustainability for telemedicine services;
 - Establish the framework for the necessary medical relationships between regional medical facilities and clinical specialists and institutions in the U.S;
 - Review and develop recommendations to island governments for all legislative and regulatory measures required for the implementation of telemedicine services; and
 - Promote public awareness within the region regarding telemedicine and the potential benefits for improving the quality of healthcare services available to the people of Micronesia.
- Regional Distance Learning Initiative

As with Telemedicine, regional distance learning provides an opportunity to initiated affordable educational opportunities in Micronesia. Activities that will be undertaken to achieve these goals include the following:

- Establish modern distance learning and Internet access centers in a high, middle and elementary school in each of the member states;
- Provide video teleconferencing equipment for distance learning program delivery and support for each of the institutions of higher education in Micronesia; and,
- Maintain and support such connections and equipment for a period of five (5) years from the start of network operations.

4.2.5 Information Portal

A key component of the success of the MCSF will be its ability to expand the flow of vital information both intra regionally and between the region and the world community. The MCSF will establish, in the first two years of its operation, a next generation web based information portal. The purpose of the portal is to facilitate greater communication and collaboration between the participating states and MCSF stakeholders, technicians and contractors. The project will be a collaborative effort between the University of Guam and the MCSF and will be jointly housed on Guam and in Palau.

4.2.6 Development of the MCSF Think Tank

The provision of empirical information and the publication of a clear development strategy for the region will both attract and be facilitated by private and public sector interests. Private sector stakeholders will have a vested interest in the growth of the regional economy. Public policy makers will be motivated by the region's strategic importance to participate both through information sharing and efforts to align themselves with the participating states and the region as well as the MCSF as an IGO. This alignment of interests will be facilitated through the establishment of a network of information resources that will be drawn upon for technical assistance and will be communicated with to explain and broaden the specific action plans that are developed by the MCSF. A matrix of contacts, information resources and organizations will participate in a broad based dialogue regarding the plans, policies and programs of the MCSF. This network will act as a "think tank" that MCSF will utilize to assist with research as well as policy and program development.

4.2.7 Executive Bachelors and Masters in Public Policy Program

As an institution, the MCSF plans to be engaged in fostering the development of public policy skills among Micronesian professionals. In this regard, the MCSF will jointly develop, with the University of Guam, a public policy bachelors and masters program designed for practicing professionals in government, non-governmental organizations and industry throughout the region. The program is intended to ensure that leaders are provided with the necessary skills to develop and implement sustainable public policy strategies in the extremely fragile and complex environments, both politically and economically, that characterize the region. The MCSF and UOG executives will work together to devise a curriculum designed to support public and private sector professionals working in Micronesia. The program will be designed to be condensed into an intensive educational experience for policy makers who work in the region.

4.2.8 Cultural and Historic Resources

Any responsible development policy for Micronesia must also take into account the vital importance of the cultural heritage of the peoples of Micronesia. In order to support cultural development and preservation, as well as the academic research objectives of island communities, the Center shall develop a strategy for the formulation of sub-regional partnerships and associations for specific purposes. This would include but will not be limited to the following activities.

4.2.4.a Working with island governments to establish inter-governmental frameworks for sharing archaeological, anthropological and other professional services necessary for effective historic and cultural preservation programs.

4.2.4.b Fostering the creation of sub-regional cultural associations for the purpose of conducting festivals and other exchange opportunities for traditional performing arts organizations in the islands of Micronesia.

4.2.4.c Creating research opportunities for academic institutions within Micronesia to address issues related to Micronesian heritage and history.

4.2.4.d Establishing a framework to support inter-island field study work by regional academic institutions in the disciplines of anthropology, archaeology, sociology, biology, geology, climatology and related fields. Priority should be given to field schools that not only serve academic goals but also are responsive to the community needs and objectives in the islands in which the field work are conducted. Such endeavors should marry scholastic and research interests of the academic institutions with community-driven development and preservation goals.

4.2.4.e Building capacity within island communities to facilitate the process of bridging modern social culture with that of traditional societies. To begin with, the MCSF shall establish resource mechanisms to support programs that train island community members in the necessary skills to meaningfully translate indigenous oral histories, legends and songs. Such programs should also provide for training in the translation into the traditional languages of Micronesia of academic and legal documents written in languages from outside the region.

4.2.4.f Identifying funding for regional academic conferences on subjects concerning indigenous rights and heritage, social change, biodiversity, sustainable development, demographic transformations, climate change, cultural maintenance and historic preservation. In particular, priority should be given to those conferences that focus on utilizing existing academic research to serve the current needs and objectives of island communities within Micronesia.

4.2.4.g Partnering with academic institutions and public sector cultural agencies, the MCSF will establish and fund a program for inter-island regional internships in the fields of historic preservation and museum studies.

4.2.4.h Formulating a strategy to provide technical and resource support for historic and cultural preservation efforts carried out by state and municipal governments within the member states of the MCES.

4.2.4.i Developing and supporting a strategy to craft, for each member state, an online, user friendly, database to provide encyclopedic information about the history, culture, political development, social development, geography and economy of the member state.

4.3 Institutional Development

At the conclusion of the two year development process, the MCSF will not only have successfully implemented a number key projects, it will also create an institution to carry forward the technical assistance, administrative and policy development and evaluation capabilities required by the member states. The

functionality of the MCSF will be divided into four distinct program areas, each lead by a director under the guidance of the Secretariat of the MCSF:

- Administration and Development;
- Corporate affairs and strategic Planning;
- Research and knowledge management; and
- Public Affairs and Communications.

4.3.1 Administration and Development

The administrative functions of the MCES will include:

4.3.1.a Provision of staff services for MCES

In addition to its ongoing administrative responsibilities for the MCSF, the MCSF will provide staff services for the MCES. The administrative division of MCSF will organize MCES meetings, coordinate public relations and communications for the MCES. These activities will be managed in addition to the overall administrative requirements of MCSF. A key competency of the administrative division will be its ability to raise both grant money and acquire endowment funding for the MCSF. The Resource Development officer will be responsible for developing a grant writing capability and to work with the finance officer for the management of funds procured.

4.3.1.b Provision of Ongoing Administrative Services for the MCSF

The initial managerial functions of the administrative staff within the MCSF will include the following:

Position	Responsibility
• Administrator	• Setting up administration systems and programs; • Managing facilities and equipment acquisition and maintenance, human resources requirements, internal communications systems and consultancy relationships; and • Establishing internal communications system.
• Finance Officer/Controller (controller/auditor)	• Establishing and administering an internal financial controls system; and budgeting systems; and • Establishing an internal auditing capability.
• Resource Development officer	• Developing a grant writing and management capability for MCSF; and • Managing fund raising and endowment development.

4.3.2 Corporate Affairs and Strategic Planning

The corporate organization and legal management of the MCSF and its relationships with internal and participating state stakeholders will be managed by the Corporate Affairs and Strategic Planning division. Additionally, strategic planning for the organization will be managed by this component of the organization.

Position	Responsibility
• Staff Attorney	- Establishing the corporate identity and status of the MCSF; - Managing the legal relationships of the MCES and the MCSF with contractors, stakeholders and funding sources; and - Managing and developing all contracts and formal relationships for the MCSF and the MCES.
• Strategic Planner	- Establishing and upgrading the strategic plans of the MCSF and the MCES; and - Identifying development opportunities for the region based on national requests.
• Program Development Officer	- Developing programs of action based on strategic priorities, referencing the outcomes of the joint communiqué from the MCES; and - Providing administrative capacity for sub-regional programs and activities; and - Creating formal partnerships between public and private entities, with particular focus on educational institutions; and - Coordinating and manage regional programs of action when required.

4.3.3 Research & Knowledge Management

The Research and Knowledge Management division of the MCSF will be responsible for research, policy development, and program evaluation. The establishment of a comprehensive and modern 'Research and Knowledge Management' will be critical to an effective MCSF. It will specifically be responsible for developing a regional data center that will have the following objectives:

- Identify and establish information repositories and data flow;
- Establish data sharing agreements with sub-regional, regional, and international data sources;
- Develop data infrastructure; and
- Foster and manage socio-economic research programs at the regional level and within each of the participating states.

The division will also develop and maintain the Memorandum of Understanding with the University of Guam that will coordinate the various components of that strategic alliance.

- Educational resources;
- Data portal development;
- Establishment of Bachelors and Masters program; and
- Strengthening and creation of strategic alliances with private and public sector academic and research organizations.

It is through this division of the MCSF that the executive masters program will be developed and the management of what has been called the MCSF think tank will be devised and maintained.

Position	Responsibility
Research Officer	• Developing and managing the research capability of the MCSF including the development of research programs and the management of research oriented grants and contracts; • Managing the development and maintaining the Memorandum of Understanding with the University of Guam and other private and public research organizations; • Developing the executive bachelors and masters program in public policy in conjunction with the University of Guam ; and • Designing and installing the network of research and practitioners that is called the MCSF “think tank”.
Policy and Program Evaluation Officer	• Providing policy development assistance for the secretariat based upon the strategic plan and the needs of the member states of the MCES; and • Conducting program evaluation on each of the grants and programs of action to determine and recording the successes and challenges of the MCSF.

4.3.4 Strategic Design & Communications

The Strategic Design and Communications division of the MCSF will be responsible for the public outreach and communications systems necessary to allow cooperative governance. It will manage the public and political relations activities of the MCSF and will be responsible for building and communicating the brand for the organization. The Public Affairs and Communications division will also be the division responsible for strategic thinking and strategic design.

Position	Responsibility
• Public Affairs Officer	• Setting up communication networks for each of the demonstration projects through conferences and formal site visits; • Describing and educating government, academic, and private sector stakeholders about the information portal, its uses and functions; • Managing the political relationships between the MCSF and the MCES and member states; and • Managing all public relations functions for the MCSF.
• Communications Officer	• Developing all communications devices and materials for the MCSF such as collateral brochures, corporate signage and electronic communications ; • information devices; • Developing strategic thinking and strategic design initiatives; and • Developing and implementing a branding strategy for the MCSF.
Technology Officer	• Developing and maintaining the telecommunication and IT network of the MCSF with all of the member states; • Devising the information portal as well as the data archive and retrieval systems for MCSF and the member states; and • Managing the regional data center.

5 Appendices

Appendix I – Staffing Pattern and Two-Year Workflow



MCSF Two-Year Workflow

Service Delivery

Socio-economic analysis of the sub-region
Socio-economic strategic plan for the sub-region
Completion of a regional capacity assessment
Implementation of the coordination, management and support for key programs of the MCES
Design of an information portal in conjunction with the University of Guam
Development of the MCSF 'think tank'
UOG Executive Master's Degree in Public Policy
Establishment of a cultural development and preservation committee.

Institutional Development

Establishment of a charter for the MCSF
Establishing a facilities plan for the Palau and Guam Offices
Staffing
Establishment of a financial control system
Establishment of a fund raising program that will institute a grant writing and endowment development process
Establishment of a policy development division
Establishment of a Program Evaluation Division
Design and launching of the MCSF communications program

Appendix II – Core Operation Cost

Items	The First Year
Personnel	300,000
Benefits	100,000
Logistics	
Office Space	20,000
FF&E	80,000
Supplies	15,000
Utilities	24,000
Travel	200,000
Communication Expenses	
Website Development	50,000
Collaterals	75,000
Internet	15,000
Phone (Including Long Distance)	30,000
Washington DC / Guam Office	300,000
Miscellaneous	25,000
TOTAL	1,234,000

Appendix III – Timeline

Task	Target Completion Date
Program Delivery	
The completion of a socio-economic analysis of the sub-region;	October 2010
The completion of a socio-economic strategic plan for the sub-region;	October 2010
The completion of a regional capacity assessment;	October 2010
Implementation of the coordination, management and support of key programs of the MCES;	October 2010
Micronesia Challenge	October 2010
PIRRIC	October 2010
RISC	October 2010
Development of a sub-regional energy strategy	October 2010
Development of a regional tourism development plan	October 2010
Telecommunications (Tele-medicine and education)	October 2010
The design of an information portal in conjunction with the University of Guam;	October 2010
The selection, solicitation and inclusion of invited participants into the MCSF network of information and technical assistance providers – the MCSF ‘think tank’	October 2010
The establishment of an executive master’s degree management program in conjunction with the University of Guam for Micronesian social entrepreneurs and public administrators, and	October 2010
The establishment of a cultural development and preservation function.	October 2010
Institutional Development	
Establishing a charter for the MCSF	October 2010
Establishing facilities plan for the offices in Palau and in Guam; Staffing the MCSF;	October 2010
Establishing a financial control system for the MCSF;	October 2010
Establishing a fund raising program that will institute a grant writing and endowment development process for the work of the MCSF;	October 2010
Establishing a policy development division for the MCSF;	October 2010
Establishing a program evaluation division for the MCSF; and	October 2010
Designing and launching the MCSF communications program.	October 2010
Web-based information systems	October 2010
Branding strategy	October 2010
Collateral information systems	October 2010