

**SUMMARY OF ECONOMIC AND SOCIAL PROTECTION MEASURES IN GOVERNMENT’S COVID-19 RESPONSE PACKAGE**

<b>A. ECONOMIC STIMULUS PACKAGE</b>						
<b>Assistance</b>	<b>Estimated number of beneficiaries (coverage)</b>	<b>New or part of existing programs</b>	<b>Value and Duration (adequacy)</b>	<b>Criteria</b>	<b>Implementation mechanism</b>	<b>Exit strategy (if program is temporary)</b>
Tourism Mitigation Fund (TMF) Stimulus Cheque	186 Tourism Businesses  Chuuk: 33 Kosrae: 27 Pohnpei: 89 Yap: 37  Total Employees: 863 Female: 418 Male: 445	New	\$14 million March 2020–September 2021(ongoing)  One-off payment based on the following: 100% salaries & wages paid 100% social security paid 100% Gross Revenue Tax paid  The TMF Steering Committee determined from April onwards that payment will include power and water utilities	Tourism sector businesses will include hotel operators, car rentals, tour operator, resorts, dive shops, domestic airlines, and other tourist specific businesses. (Domestic airlines i.e. Caroline Islands Air)  Business must show at least 10% decline in revenue as reported in tax return compared to previous year.	The President has issued Regulations for the administration of the TMF. By law, the TMF steering committee has the overall responsibility and is chaired by the Secretary of Finance and includes Secretary of Resources & Development, Secretary of Justice, and Secretary of Environment, Climate Change & Disaster Management.  Department of Finance and Administration (DFA) administers the program. A letter from the Secretary of Finance was sent to State Chambers of Commerce, State Tourism Organisations, and individual businesses requesting them to register for the TMF  The Assistant Secretary, Tourism Division,	Temporary program to assist with immediate needs. The continuity of the assistance will be further assessed by the government depending on COVID-19 further impacts.

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					<p>Department of Resources and Development (DRD), has also been assisting with coordination with the State Offices.</p> <p>Information dissemination: Tourism offices at the state level disseminated information regarding this program. Radio announcements were utilized. Information posted on government websites.</p> <p>Disbursement of support: Checks will be issued by DFA directly to the affected businesses.</p> <p>Monitoring and Reporting: The amounts are checked against their tax returns and filing with social security on a quarterly basis.</p> <p>The status of the TMF stimulus checks are being monitored and reported by the TMF</p>	

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					<p>Steering committee to the President of FSM on a weekly basis.</p> <p>Grievance mechanism will be the responsibility of the steering committee. If the business disagrees with the assessment, they will be given the opportunity to supply additional data to justify their appeals. In these cases, the Economic Advisor from DFA will prepare all available information for the TMF Steering Committee to determine on a case by case basis whether the appeal is justified.</p>	
TMF Debt Relief	56 Tourism Businesses (14 women-owned businesses)	New	<p>\$1 million February 2020 to September 2021</p> <p>DFA will pay for the interest of existing loans of eligible tourism businesses.</p>	The eligibility criteria for businesses are the same as the TMF stimulus checks.	Implementation mechanisms are the same as the TMF stimulus check including eligibility verification, information dissemination, grievance redress, monitoring and reporting.	Temporary program to assist with immediate needs. The continuity of the assistance will be further assessed by the government depending on COVID-19 further impacts.

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					Disbursement of funds: DFA will transfer funds directly to the banks once eligibility verifications of businesses were completed.	
TMF: Unemployed Migrant Workers	100 Individuals Female: 43 Male: 57	New	\$400,000 February 2020 to December 2020 \$166/week unemployed	Unemployed migrant worker due to coronavirus disease (COVID-19) health emergency	Application by the migrant worker through the existing mechanisms of the Pandemic Unemployment Assistance (PUA) with offices at the state level and in conjunction with employers to verify unemployment status.  Monitoring and reporting: PUA staff will assist in monitoring and reporting of the status.	Temporary program to assist with immediate needs. The continuity of the assistance will be further assessed by the government depending on COVID-19 further impacts.
Micro-and-small business loans	Estimated 200 micro- and-small businesses 50% mandatory to women-owned/co-owned micro-and-small-businesses	New	\$3 million (i.e. \$2.5 million for loan component and \$0.5 million for interest relief)  Micro enterprises maximum loan = \$10,000	Micro-and-small businesses with annual gross revenue of no more \$40,000	FSM Development Bank (FSMDB) will implement the scheme and do the outreach programs. FSMDB will provide monthly report to the HEALS Program Steering Committee (PSC).  Repayment:	Ongoing, as loans are repaid new loans are made.

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			<p>Small businesses loan value = \$30,000</p> <p>From January 2021 - September 2021</p>		<p>Loan tenor – maximum 5 years for small business loans; and 2 years for micro enterprises</p> <p>Loan interest – fixed rate of 3% per annum</p> <p>100% interest relief for 1-year, subject to further review</p>	

<b>B. SOCIAL PROTECTION PROGRAM</b>						
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Cash Transfer to Low income household	<p>Estimated 4,500 low-income households.</p> <p>All eligible women-headed households</p>	New	<p>\$5 million budget</p> <p>One-time \$500 base payment per eligible household</p> <p>Additional payment of \$500 for household with any of the below:</p> <ul style="list-style-type: none"> <li>disabled household member</li> </ul>	Households with annual income of \$3,600 (based on minimum wage) or below and affected by COVID-19 yet not eligible to receive PUA	<p>This scheme will use existing PUA set-up in all the four states. Application to be submitted to PUA offices (with dedicated staff employed by DFA) at the state level. PUA offices will verify eligibility based on income tax and social security records, PUA records, certification from municipal governments and other proof of eligibility (e.g. medical records/hospital</p>	<p>Temporary program to assist with immediate needs. The continuity of the assistance will be further assessed by the government depending on COVID-19 further impacts.</p>

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			<ul style="list-style-type: none"> <li>• dependent elderly</li> <li>• dependent children</li> <li>• women-headed households</li> </ul> <p>January 2021-September 2021 application period.</p>		<p>certification for disability, ID cards, etc.). Applications will then be sent to PUA office at the national level to double check data and forms submitted. Finally, applications will be submitted to DFA for processing of payment.</p> <p>Disbursement: direct payment to bank account or cheque to head of household to be collected from Treasury field offices at the state level.</p> <p>Public awareness and information dissemination: DFA is in-charge of information dissemination. Official announcements and press release; media and radio; communication through state governors, mayors and DFA website.</p> <p>Monitoring and reporting: DFA through the PUA staff to monitor the rate of disbursements. Reporting</p>	

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					will be done on a monthly basis. Reports will be submitted to PSC and shared publicly on government websites.  Grievance redress: Existing PUA appeals committee will be utilized.	
Small grants for COVID-19 prevention or preparedness	CSOs/NGOs: Chuuk: 15 Kosrae: 5 Pohnpei: 15 Yap: 5	new	\$2 million Approximate allocation: \$750,000 Chuuk \$250,000 Kosrae \$750,000 Pohnpei \$250,000 Yap  Maximum value of grant: \$50,000  January 2021 – September 2021	Local and international non-government organizations (NGOs), informal groups, schools, churches will be eligible to apply. Payment for administration cost will not be eligible for international NGOs and maximum of 10% admin cost for local NGOs.  Proposals should be in line with COVID-19 response and mitigation plans	Call for proposal among eligible groups. A committee will be established with 2 members from Department of Health and Social Affairs (DHSA) and 1 from DFA to prepare the proposal template and assess the application. DHSA (national and state level counterpart) will be the main agencies responsible for monitoring the implementation of activities. Temporary staff will be engaged by DHSA for this scheme.  Funds will be directly disbursed to organizations with the ability to manage funds (e.g. well-	Temporary program to assist with immediate needs. The continuity of the assistance will be further assessed by the government depending on COVID-19 further impacts.

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				<p>e.g. community awareness, sanitation, procurement of radio, masks, personal protective equipment (PPE) and other supplies, GBV prevention activities. Proposals will be assessed with criteria relating to gender equality and activities that would benefit the entire community.</p>	<p>established civil society organization and groups). Otherwise, DFA, through DHSA, will directly procure supplies and services for use and distribution by the entities (e.g. bring in request from suppliers and paid directly from DFA). This funding arrangements should be clear in the proposal.</p> <p>Disbursement of funds will be triggered by progress reports and acquittal of expenses for those not directly claiming expenses to DFA. Financial reporting will follow the financial regulation of FSM government and subject to government's audit requirements.</p> <p>Information dissemination: DFA and DHSA are in-charge of information dissemination. Official announcements and press release; media and radio; communication through</p>	



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					<p>state governors, mayors and government websites.</p> <p>Reporting and Monitoring: Recipients will submit progress and completion reports. DHSA will prepare monthly reports and submit to the PSC and share publicly through government websites.</p> <p>Existing PUA appeals committee will be utilized.</p>	
Food Security Program	Community groups and low-income households including female-headed households	new	<p>\$2 million</p> <p>Approximate allocation</p> <p>\$1,000,000 Chuuk</p> <p>\$250,000 Kosrae</p> <p>\$500,000 Pohnpei</p> <p>\$250,000 Yap</p> <p>Types of support include provision of seedlings, planting materials, fishing equipment, trainings by DRD and states.</p>	Community groups such as producers and farmers' associations, smallholder farmers and fisheries and individual households including from low-income groups interested in small scale subsistence farming will be eligible.	<p>The DRD (national and state level counterpart) will be the main agency responsible for implementation. Eligible community groups and households will submit their request for assistance to DRD.</p> <p>DRD will use their existing food security program and distribution mechanisms to implement the scheme. State and municipal governments will also be involved in the assessment of food security needs and its</p>	Green Climate Fund (GCF) application has been submitted to complement this program, other longer-term NGO programs.

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			<p>Includes a provision for food ration in the event of COVID-19 cases in the country.</p> <p>Jan 2021-Sept 2021 subject to extension if needed</p>		<p>distribution especially to remote areas.</p> <p>DFA and DRD are in-charge of information dissemination. Official announcements and press release; media and radio; communication through state governors, mayors and government website</p> <p>DRD will prepare and submit monthly monitoring report to the PSC. Reports will be disclosed publicly on government websites.</p>	
Utilities subsidy allowance	2,000 low-income households from utility subsidy and 5,000 households for solar lamps in the outer islands	New	<p>\$560,000</p> <p>\$100 value of cashpower card per eligible household which is equivalent to 2-3 months electricity use based on average consumption.</p> <p>Duration: Jan 2021 – Sept 2021</p>	Low-income households including female-headed households	State Department of Health Services will be the main agency responsible for this scheme and working closely with the utility companies at the state level for the distribution of cashpower cards. Dedicated staff will be temporarily employed by the DHS (national and state level counterpart) to assist the implementation of this scheme. The registration under the cash relief	Temporary program to assist with immediate needs. The continuity of the assistance will be further assessed by the government depending on COVID-19 further impacts.

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					<p>scheme for low-income households will be utilized during the beneficiary registration for this scheme.</p> <p>Database from the utility companies will also be utilized to cross-check household records.</p> <p>For the outer islands – solar lamps will be distributed to eligible households without any electricity connection. Procurement will be done by State Department of Health with funding from DFA and to be distributed by the municipal governments.</p> <p>State Department of Health in coordination with utility companies and municipal government will provide a monthly progress report to PSC.</p> <p>Information will be disseminated through official announcements and press release; media and radio; communication</p>	

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					through state governors, mayors and government websites.	
Medical waiver	Persons with disability, elderly and gender-based violence (GBV) and Sexual Violence survivors	New	\$100,000 for Pohnpei and Chuuk and \$50,000 for Kosrae and Yap  January 2021 – September 2021	Persons with disability, elderly 65 and above, women and girls, children less than 18 years of age	Will use the existing mechanism to transfer funds from national to state government treasury. All the billings will be sent by the hospitals to the state treasury. Scheme will cover expenses not included under the Compact Funds (i.e. in-patient, medicine, ambulance, transportation from households to hospitals, physical therapy).  Reporting and Monitoring: DHS (national and state level) will be responsible for monitoring and reporting. Report will be submitted to the PSC on a monthly basis.	Temporary program to assist with immediate needs. The continuity of the assistance will be further assessed by the government depending on COVID-19's further impacts

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Hospital/Dispensary/CHC CMR Kit	8 community health centers in 4 states:  1 Kosrae 1 Yap 3 Pohnpei 3 Chuuk	New	\$300,000 across 8 community health centers	Community health centers.	DHSA will be responsible for procuring the supplies. Purchase of CMR Kit according to the State Hospital Standard of Operation Procedures for Clinical Management of Rape Sexual Violence and Gender-based Violence.  UNFPA will be responsible for trainings community health workers in management of CMR.  Monitoring and reporting: DHSA (national and state level counterpart) will monitor the implementation including procurement of supplies. Reporting will be done on a monthly basis to the PSC.	The continuity of the assistance will be further assessed by the government depending on COVID-19's further impacts
Assistance to Stranded Citizens Program	500 (both individuals and families)	New	One-off payment of \$1,000 per individual or \$1,500 per family for those who have been stranded on their return to FSM due to the	FSM citizens stranded due to relocation (i.e. their travel was booked and began prior to the Nation's borders closing).	Application through email or Consulate Offices in Guam and Honolulu Electronic payment to Bank account or check collection from Consulate	If the Borders remain closed passed September 30 the Government will consider a second payment of the same magnitude.

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			<p>closure of the four State borders.</p> <p>From June 2020 until September 2021</p>	<p>Citizens stranded due to returning home (i.e. whose travel was booked and originated from the FSM, and were returning to the FSM due to no residency elsewhere) but became stranded abroad</p> <p>Citizens who have already received financial assistance through other U.S. Federal, FSM National, or Insurance coverage may not be eligible for assistance, but are encouraged to apply as each case will be individually considered and cross-checked through official channels.</p>	<p>An implementation team has been set-up at DFA to help verify and coordinate with the consulates and embassies overseas. The team is assisting in monitoring and preparing monthly status report for submission to the PSC. Reports will be shared publicly on govt websites.</p>	

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Assistance to FSM Students in COVID-19 Jurisdictions	400 (approximately 50% women)	New	<p>\$200,000 \$500 one-off payment to all students studying overseas</p> <p>Mid-June 2020 until August 2020 when the new semesters begin</p>	<p>FSM students studying overseas in a COVID-19 country</p> <p>Equal amount to all, regardless of situation</p>	<p>Application through email or Consulate Offices.</p> <p>Implementation team (same as that for the stranded citizens) has been set-up at DFA. The team cross check applicants against scholarship list from Department of Education.</p> <p>Students will also be asked to provide a copy of their transcript.</p> <p>Consulates have information on students studying who are not on scholarships.</p> <p>Students that graduated in 2020 are classed as stranded citizens</p> <p>Payment to bank account or collect check from Consulate Office.</p> <p>The implementation team is assisting in monitoring and preparing status report on a monthly basis for submission to the PSC. Reports will be shared publicly on government websites.</p>	

COMPLEMENTARY OFF-BUDGET SUPPORT FROM THE UNITED STATES: TEMPORARY PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)						
Assistance	Estimated number of beneficiaries (coverage)	New or part of existing programs	Value and Duration (adequacy)	Criteria	Implementation mechanism	Exit strategy (if program is temporary)
Pandemic Unemployment Assistance Program	Chuuk: Male - 167/Female -75 Kosrae: M-47/F-13 Pohnpei: M-219/F-266 Yap: M -49/ F-45	New	\$36 million  PUA \$166/week flat rate for all Duration: February 2020 – 31 Dec 2020  Federal Pandemic Unemployment Compensation (FPUC) \$600/week for all who receive PUA Duration: April 3 – July 31 2020	FSM/US citizens whose employment has been terminated, suspended, or reduced due to the COVID-19 pandemic.	DFA has set up Offices in each of the four States Application by individuals at the Office of Pandemic Unemployment Assistance (OPUA). Verification by the employer.  OPUA staff can assist in filling the forms. The initial application will be reviewed by OPUA staff and the applicant will receive a notice of determination within a period of 3 weeks.  If found eligible, PUA payments are backdated to the day the person was laid off or on reduced working hours resulting in a reduction income. PUA beneficiaries must file a weekly claim at the OPUA office in order to continue receiving the benefits.  Receipt of unemployment assistance each week requires certification that	Temporary employment support measures under the US CARES Act. \$30 million to be distributed in FY2020 and \$6 million in December quarter 2020. The continuity of the assistance will be further assessed by the government depending on COVID-19's further impacts. Currently not factored in the Fiscal Framework but would cost \$1 million per month to extend into 2021.



COMPLEMENTARY OFF-BUDGET SUPPORT FROM THE UNITED STATES: TEMPORARY PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)						
Assistance	Estimated number of beneficiaries (coverage)	New or part of existing programs	Value and Duration (adequacy)	Criteria	Implementation mechanism	Exit strategy (if program is temporary)
					<p>remain unemployed or reduced income for more than one month will require proof that efforts are being made to find employment but remain unsuccessful.</p> <p>Ineligible applicants can request for reconsideration or an appeal hearing by the PUA appeals committee composed of staff outside of the implementing agencies such as staff from President's office. Request for appeals must be completed within 10 days of receiving determination of eligibility.</p>	