NITIJELA OF THE MARSHALL ISLANDS

23RD CONSTITUTIONAL REGULAR SESSSION BILL NO. 91 N.D.1

P.L. 2002-51

An Act

To amend certain provisions of the Marshall Islands Intergenerational Trust Fund Act 1999, P.L. 1999-90, to provide for the interim administration of the Fund and for related purposes.

BE IT ENACTED BY THE NITIJELA OF THE MARSHALL ISLANDS

§ 1 Short Title

(1). This Act may be cited as the Marshall Islands Intergenerational Trust Fund (Amendment) Act, 2002.

§2 The Marshall Islands Intergenerational Trust Fund

(1). Subsection (2) of Section 3 of P.L. 1999-90 is amended by repealing the existing provisions and substituting in its place a new Subsection (2) as follows:

"(2). The Trust Fund is not a public fund or account within the meaning of Article VIII, of the Constitution, and shall not be pledged or otherwise used for collateral to secure the repayment of any loan or guarantee."

§3 Government Contributions to the Trust Fund

(1). Subsection (2) of Section 5 of P.L. 1999-90 is amended by repealing the existing provisions and substituting in it place a new Subsection (2) as follows:

(2) Notwithstanding the provisions of subsection (1) of this section, the Government shall make an initial contribution to the Trust Fund as follows:

(a) $1.8 million from the ADB PSRP Loan

(b) $2.0 million from the ADB FFMP Loan

(c) $18.5 million in Fiscal Year 2002

(d) $16.5 million in Fiscal Year 2003.

§4 Interim Administration of the Trust Fund

(1). P.L. 1999-90 is amended by adding a new Section 11 as follows:

(1). Until such time that the Agreement is concluded and in effect, the Trust Fund shall be managed by an Interim Board of Directors (Interim Board) as follows:

(a) Minister of Finance – Chairman

(b) Minister of Foreign Affairs – Member

(c) Minister of Justice – Member

(d) Chairman, Nitijela Appropriations Committee

(2) The Secretary of Finance will act as Secretariat to the Interim Board, but will not vote on decisions taken by the Interim Board.

(3) The Interim Board shall be responsible for selecting and retaining a reputable Trust Fund Manager who shall act as custodian of the Trust Fund.

(4) The Trust Fund Manager shall:

(a) be a United States firm that manages trust assets in excess of US$1 billion;

(b) be selected by the Interim Board based on a competitive request for proposals;

(c) invest the Trust Fund in a prudent and reasonable manner; and

(d) report to the Interim Board at such times and manner as the Interim Board may direct.

(5) Except for purposes of administration and management, no withdrawals shall be made from the Trust Fund and any earned proceeds or income shall be reinvested in the Trust Fund.

(6) The Cabinet shall establish by-laws or other procedures for the governance and operation of the Interim Board in accordance with Section 10.

(7) The provisions of this Section shall cease to apply as of the date the Trust Fund vests with the Board of Directors established pursuant to the Agreement.

CERTIFICATE

I hereby certify;

(1). that Nitijela Bill No. 91 N.D.1 was passed by the Nitijela of the Marshall Islands on the 11th day of March 2002; and

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(2) that I am satisfied that Nitijela Bill No. 91 N.D.1 was passed in accordance with the Constitution of the Marshall Islands and the Rules of Procedure of the Nitijela.

I hereby place my signature before the Clerk of the Nitijela on this 19th day of March 2002.

Litokwa Tomeing
Speaker,
Nitijela of the Marshall Islands

Joe Riklon,
Clerk,
Nitijela of the Marshall Islands