



# 2024 CITIZEN-CENTRIC REPORT

FISCAL YEAR 2024



## WHAT'S INSIDE

- Performance
- Finances
- Challenges/Outlook

## OUR MISSION

is to appropriate financial and technical assistance to facilitate the start-up or expansion of private and public enterprises for their success, the benefit of the CNMI's economic welfare and the long-term sustainability of CEDA.

## OUR VISION

is to revitalize and reposition CEDA to perform its mission and achieve an overall vision of economic development for the CNMI.

## WHO ARE WE?

The Commonwealth Economic Development Authority (CEDA) is a semi-autonomous agency of the government of the Commonwealth of the Northern Mariana Islands (CNMI). The purpose of the Authority is to stimulate the economic development of the Northern Mariana Islands. The functions of the Authority shall be carried out through the following divisions:

- The Development Banking Division (DBD) generally shall be engaged in government and public sector activities. The DBD serves as the financial advisor and coordinator to any public borrowing of the CNMI's departments, autonomous public agencies, municipalities and public corporations, thru Bond and bank financing.
- The Development Corporation Division (DCD) generally shall be engaged in private sector activities. Through its loan programs, the DCD provides direct financing: 1) the Microloan program of \$25,000 and below; and, 2) the Direct Loan Program of up to \$450,000. DCD also administers and implements the State Small Business Credit Initiative (SSBCI) 2.0 program.
- CEDA administers and facilitates other investment initiatives in the Commonwealth; the Qualifying Certificate (QC) Program established in 2000 and the Opportunity Zone (OZ) Program established in 2018. The QC Program provides for certain tax incentives for businesses in the CNMI that meet the Program requirements in return for their investment in the CNMI. Under the OZ Program, investors in the CNMI can defer tax on any prior gains if gains are reinvested in a Qualified Opportunity (QO) Fund, a vehicle for investment in QO Zones.

### WELCOME!

**Mr. Derek T. Sasamoto** joined CEDA as Comptroller on January 29, 2024. He holds a master's degree in business administration and is an Accredited Investment Fiduciary (AIF®) designee. As an officer of the authority, he is first in line to serve in an acting capacity and has been serving as Acting Executive Director since July. Despite the significant responsibilities he has taken on in just a few months with the agency, we are confident that Mr. Sasamoto will perform his duties with professionalism and excellence. Welcome aboard, Mr. Sasamoto!

We are also pleased to welcome **Mr. Jude A. Palacios**, who joined CEDA on October 9, 2023, as the Administrative and Procurement Specialist. Jude's friendly and upbeat personality is a perfect fit for a role that involves interacting with vendors and CEDA building tenants. He brings a refreshing energy to an otherwise serious office environment.

### FAREWELL & BEST WISHES!

Farewell to our esteemed Board Secretary, **Ms. Jocelyn T. King**. Ms. King, who represented the island of Tinian on the Board of Directors for four (4) years, made significant contributions that will be remembered. The Board, management, and staff deeply appreciate her commitment to serving the Commonwealth. We extend our sincere gratitude to Director King for her service and wish her the best in her future endeavors.

Farewell to **Ms. Joyce Flores** who served as the Field Representative for CEDA Tinian. Joyce left the agency on June 18, 2024. Our heartfelt thanks to Joyce for her support and services. We are truly grateful for her contributions and wish her all the best in her future endeavors.



## CEDA & DCD BOARD OF DIRECTORS, OFFICERS & MEMBERS (FISCAL YEAR 2024)

**Francisco M. Rabauliman (Saipan)**  
CEDA Board Chairman  
DCD Board Member

**Frank Lee SN. Borja (Tinian)**  
DCD Board Chairman  
CEDA Board Member

**Dana A. Calvo (Rota)**  
CEDA Board Vice-Chairperson  
DCD Board Member

**Daniel Q. Taitano (Rota)**  
DCD Board Vice-Chairman  
CEDA Board Member

**Jocelyn T. King (Tinian)**  
CEDA Board Secretary  
DCD Board Member

**Michael S. Sablan (Saipan)**  
CEDA Board Member  
DCD Board Member

**Tania Sophia P. David (Saipan)**  
CEDA Board Member  
DCD Board Member

**OFFICERS:**  
+Manuel A. Sablan - Executive Director  
(Oct. 2023 - Aug. 2024)  
Derek T. Sasamoto - Comptroller  
Acting Executive Director  
(July 2024-present)

## MESSAGE FROM THE CHAIRMAN & EXECUTIVE DIRECTOR

Hafa Adai! At the outset, on behalf of the Commonwealth Economic Development Authority (CEDA) Board of Directors, management, and staff, Acting Executive Director and I posthumously express our profound gratitude to the late Manuel Atalig Sablan for his untiring support, dedication, and commitment to CEDA. The late Mr. Sablan was CEDA's Executive Director from February 2009 to August 2024. His leadership and invaluable service to this agency and the CNMI are greatly appreciated. As we report on our accomplishments, we give special notice to the late Mr. Sablan and his contributions.

Despite the uncertain times we live in, with the Commonwealth's economic activity at a standstill, CEDA remains a steadfast pillar, committed to investing in the future. We will continue to pave the way for development, supporting the private and public sectors, nurturing small local industries, and contributing to the betterment of our people. Our success and economic development strategies are locally driven, with active participation from all sectors – the Executive Branch, the Legislature, the Judiciary Branch, and the private sectors. It may require a significant amount of effort, but together we will face the future with hope, vigor, and confidence.

CEDA is committed to remaining open to all options. We will continue to seek ways to improve as we navigate the next steps towards economic recovery.

Si Yu'us Ma'ase',

/s/ FRANCISCO M. RABULIMAN  
Chairman, Board of Directors

/s/ DEREK T. SASAMOTO  
Acting Executive Director



# 2024 CITIZEN-CENTRIC REPORT

## PERFORMANCE: WHAT WE DID IN FY 2024

### DEVELOPMENT CORPORATION DIVISION (DCD)

For Fiscal Year 2024, the CEDA Board of Directors continued to build on the momentum from the previous year by focusing on supporting the enhancement of the loan application processes and lending support for business growth in the CNMI. A critical development for FY2024 is launching the \$57 million U.S. Treasury-approved State Small Business Credit Initiative (SSBCI) 2.0 program, with the first tranche of nearly \$19 million. Although SSBCI 2.0 is a bank-driven initiative, it represents a vital collaboration between CEDA and local participating banks. This partnership significantly expands access to capital for small businesses and underserved communities.

### DCD LOAN PROGRAMS

MICROLOAN AND DIRECT LOAN PROGRAMS	FY2023	FY2024
Loan applications started (online)	69	64
Loans applications processed	19	25
Loans approved	8	17
Loans closed	7	17
Total amount of loans disbursed	\$116,000	\$601,553
Average interest rate	8.17%	7.68%
Average loan review time	4-7 days	4-7 days
Loans cancelled	1	1
Loans approval rate	42%	68%
Performing loans	102	119
Foreclosures	-	-
Foreclosed properties sold at auction	-	-

Type of Loans Approved (Overall)		
Business Type	Count	17
Construction & Rentals (3)	8	47.06%
Fishing & Marine Services (2)	6	35.29%
Other (2)	2	11.76%
Machines/Equipment/Repair	1	5.88%
<b>Total</b>	<b>17</b>	<b>100.00%</b>

#### DCD Loan Programs

In FY 2024, CEDA continued to operate its direct loan programs, which support economic activities in key sectors. These programs remain a critical component of CEDA's mission to help businesses access capital.

**Micro Loans (\$25,000 and below)**  
The ML Program is under the purview of the Executive Director. The average loan review and decisions take about 4-7 days. Interest rates range from 5-5% to 9%, and terms of up to seven (7) years.

**Direct Loans (DL) (\$25,000 to \$450,000)**  
The DL Program falls under the purview of the Board of Directors. For a complete loan application, the average loan review is 4-7 days and decisions usually within an average of 30 to 45 days.

### Types of CEDA Loans Approved in Fiscal Year 2024



#### TOTAL LOANS APPROVED IN FISCAL YEAR 2024 BY CATEGORY

Rota		
Business Category	Amount Approved	Count
Construction & Rentals	\$110,000	1
Other	\$30,500	3
<b>Total</b>	<b>\$140,500</b>	<b>4</b>
Saipan		
Business Category	Amounts Approved	Count
Construction & Rentals	\$588,000	5
Food & Drink Business	\$25,000	1
Retail	\$25,000	1
Other	\$545,000	4
<b>Total</b>	<b>\$1,183,000</b>	<b>11</b>
Tinian		
Business Category	Amounts Approved	Count
Construction & Rentals	\$8,000	1
Fishing & Marine Services	\$35,000	1
<b>Total</b>	<b>\$43,000</b>	<b>2</b>
<b>Total for FY 2023</b>	<b>\$1,366,500</b>	<b>17</b>

Microloan & Direct Loan Programs (All Districts)		Microloan & Direct Loan Programs (Saipan)		Microloan & Direct Loan Programs (Tinian)		Microloan & Direct Loan Programs (Rota)	
Description	FY2024	Description	FY2024	Description	FY2024	Description	FY2024
Loan applications started (online)	64	Loan applications started (online)	43	Loan applications started (online)	8	Loan applications started (online)	13
Loan applications processed	25	Loan applications processed	16	Loan applications processed	4	Loan applications processed	5
Loans approved	17	Loans approved	11	Loans approved	2	Loans approved	4
Loans closed	17	Loans closed	9	Loans closed	2	Loans closed	6
Total amount of loans disbursed	\$601,553	Total amount of loans disbursed	\$428,053	Total amount of loans disbursed	\$33,000	Total amount of loans disbursed	\$140,500

### DEVELOPMENT BANKING DIVISION (DBD)

As financial advisor and coordinator for any borrowing of the CNMI government and its instrumentalities, CEDA is actively pursuing financing for the CNMI through the Bond Markets and the Bank of Guam. CEDA's aim is to close out these transactions by the end of 2024 while proactively seeking out the most competitive debt service rates and exploring other financing alternatives. The proceeds from the pursued bonds and other financing options are committed for the payment to the NMI Settlement Fund for retirees' pensions, net of issuance costs. In FY 2024, CEDA's DBD helped the CNMI government meet its 25% retirement pension payment transferring a total of \$5.236M complying with Public Law 23-18.

### ECONOMIC DEVELOPMENT ACTIVITIES/ QUALIFYING CERTIFICATE (QC) PROGRAM

CEDA continues its collaborative efforts with public and private sectors, demonstrating flexibility and proactivity in pursuing industries and investments to strengthen the CNMI's economy. Foremost, CEDA showcased the CNMI at the SelectUSA 2024 Investment Summit, the highest profile event in the U.S. This event facilitated business investment by connecting thousands of investors, companies, economic development organizations, and industry experts. For the first time, all 56 U.S. states and territories were represented. Secondly, in line with our mandate to seek mainland investors, CEDA paid for an LA Times ad that featured the CNMI on August 1, 2024. In this ad, the CNMI is described as "America's best kept secret... [It] is so much more than the U.S. backdoor to Asia. Combining a strategic location, unequal natural beauty and a rich-storied history, it can become the region's preferred touristic destination and a key post for both military and civil business opportunities." CEDA trusts the CNMI has the potential to be a thriving business hub, and we invite investors to explore the opportunities it offers.

For FY 2024, the three active QC beneficiaries are: the Saipan Globe International Group, Bridge Capital, LLC, and Marshal Holdings, Inc. In late September this year, we received a new application from J&P Holdings CNMI LLC, a passenger aviation company in interisland transportation. This new venture has the potential to bring significant benefits to the CNMI, and CEDA is presently reviewing its application.



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## FINANCES: HOW WE USED OUR RESOURCES

For FY 2024, CEDA continues to invest responsibly in safe and liquid instruments. CEDA's investment strategy safeguards principal while considering time horizons for cash needs for operations and economic activity. In the previous calendar year, CEDA achieved a return of investment of over 4% and outperformed the market benchmark, in aggregate, over the past few years. In FY 24, CEDA took advantage of higher interest rates and earned an ROI of over 5% throughout the spring and summer months. Interest rates have fallen as expected, and we anticipate further interest rate drops in the near future. CEDA is currently implementing an investment strategy to maximize the current rates through diversified redemption timeframes again all while considering liquidity needs. We anticipate interest rates to fall below 4% and remain within this range for some time. CEDA, however, will continue its investments strategy to maximize returns in accordance with the CEDA Act, as amended.

### FINANCIAL STATEMENT SUMMARY

#### STATEMENT OF NET POSITION

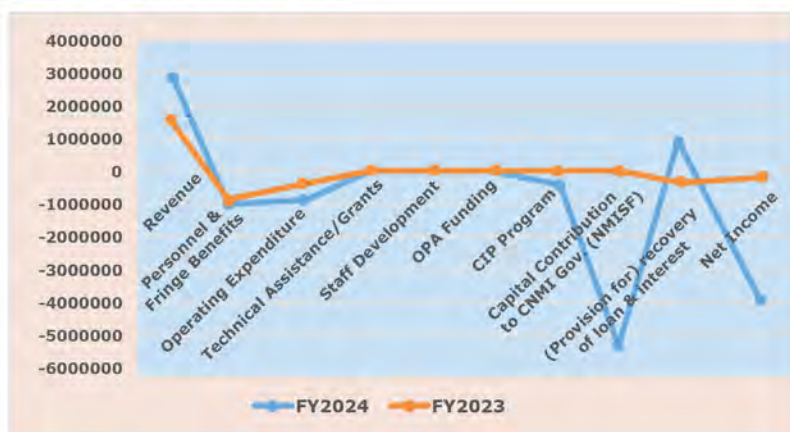
	2024	2023
Assets	\$55,827,833	\$41,850,023
Liabilities	21,153,050	3,289,522
Net Position	34,674,783	38,560,501
Liabilities and Net Position	\$55,827,833	\$41,850,023

#### STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

	2024	2023
Operating Revenues	\$2,850,931	1,724,132
(Provision for) recovery for loan impairment	840,727	(392,250)
Net Operating Revenues	3,691,658	1,331,882
Operating Expenses	(1,925,315)	(1,566,373)
Operating Gain (Loss)	1,766,343	(234,491)
Non-operating Revenues (Expenses), net	(5,652,060)	-
Change in Net Position	(3,885,718)	(234,491)
Net Position - beginning	38,560,501	38,794,992
Net Position - ending	\$34,674,783	\$38,560,501

### PROFIT AND LOSS COMPARATIVE

Account	FY2024	FY2023
<b>Revenue</b>	<b>\$2,850,931</b>	<b>\$1,724,132</b>
Personnel & Fringe Benefits	-975,960	-989,689
Operating Expenditure	-862,168	-525,138
Technical Assistance/Grants	-63,331	-29,859
Staff Development	-11,855	-9,688
OPA Funding	-12,000	-12,000
CIP Program	-416,060	0
Capital Contribution to CNMI Govt. (NMISF)	-5,236,000	0
(Provision for) recovery of loan & interest impairment	840,727	-392,250
<b>Net Income</b>	<b>\$(3,885,718)</b>	<b>\$(234,491)</b>



### CEDA BUDGET FISCAL YEAR 2024

Budget Item	Budget Amount	% of Budget
Personnel & Fringe Benefits	\$1,166,202	66.0%
Operating Expenditure	394,286	22.3%
Technical Assistance/Grants	20,000	1.1%
Staff Development	16,785	0.9%
Capital Outlay	153,000	8.7%
OPA Funding	\$17,503	1.0%
<b>Total Budget</b>	<b>\$1,767,776</b>	<b>100%</b>





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## WHAT TO DO: CHALLENGES & RECOMMENDATIONS

As we look ahead to the new millennium, a new role for the Commonwealth Economic Development Authority has begun to take shape. Since our inception in 1985, CEDA has built a reputation in the local community primarily as a lending institution. However, largely due to profound changes that have occurred in our economy, the CEDA Board of Directors felt that changes were needed in the way our organization operates. Our outlook is optimistic as we strengthen our collaborative efforts toward recovery and position CEDA to better face the challenges ahead.

### 1 CHALLENGES

Overlapping and similar missions with respect to economic development. Difficulty in obtaining information and data from other agencies, especially in updating demographics, financials, and economic information when CEDA is exploring the bond market on behalf of the CNMI government.

#### RECOMMENDATIONS

Meet with the Executive Branch and Legislature about having CEDA be the lead economic development. All functions and funding of other agencies be transferred to CEDA. P.L. 22-01 created CEDA to assist and lead in developing an economic development plan for the CNMI. CEDA could accomplish this mandate with adequate support. A coordinated and centralized economic development office in CEDA is needed to streamline efforts.

### 2 CHALLENGES

CEDA is tasked to actively promote the CNMI as a location for private investment and promote and encourage the development of new businesses and the retention and expansion of existing businesses in the CNMI.

#### RECOMMENDATIONS

CEDA will coordinate and collaborate with different regulatory agencies on commerce, tourism, and trade find ways to streamline the processes to do business in the CNMI. CEDA will update the Investment Guide on how to set up business in the CNMI. This Guide was developed by CEDA's predecessor, CDA, in 2003.

### 3 CHALLENGES

CEDA is tasked to promote and encourage the expansion and development of a market for products from the CNMI. And to coordinate, develop, and participate in off-island investor missions to generate interest and investment in the CNMI with emphasis on business investments from the United States of America

#### RECOMMENDATIONS

CEDA participated in international economic development conferences and investment summits which can lead to aid in technical support, case studies, and funding from the US Economic Development Administration (EDA) and International Economic Development Council (IEDC). CEDA will continue to seek opportunities with organizations and meet with investors to fulfill its mandate in promoting the CNMI and its products.

### 4 CHALLENGES

Need for new lending programs to boost the CNMI's business environment by attracting new clients.

#### RECOMMENDATIONS

The CEDA Board and management are considering a non-commercial lending assistance package. Due to current legal restrictions, we will pursue amendments to the CEDA law to enable this.

### Get In Touch With Us

For more information about CEDA  
[www.developcnmi.com](http://www.developcnmi.com)



Commonwealth Economic  
Development Authority



[developcnmi.com](http://developcnmi.com)



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