
AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by adding a new section 210, as required by article XII, section 1(b) of the Constitution, and by renumbering sections 210 through 227, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Title 55 of the Code of the Federated States of
2 Micronesia is hereby further amended by adding a new section 210 of
3 chapter 2 to read as follows:

4 "Section 210. Foreign Assistance Fund.

5 (1) Definitions.

6 (a) 'Agreement' shall refer to any arrangement,
7 understanding, covenant, compact, transaction or other
8 agreement, in any form, entered into by and between an
9 official of the National Government, or the National
10 Government's designee, and a foreign governmental entity, for
11 the receipt or acceptance of financial assistance or aid, on
12 behalf of any National or State governmental entity.

13 (b) 'Foreign financial assistance' shall refer to
14 currency, money, accounts or notes receivable, offered as aid
15 or assistance to the National Government of the Federated
16 States of Micronesia, other than foreign aid or assistance
17 received from the United States of America pursuant to, or
18 authorized by, the provisions of the Compact of Free
19 Association between the Federated States of Micronesia and
20 the United States of America.

21 (c) 'Foreign in-kind assistance' shall refer to
22 any and all foreign assistance in the form of goods,

1 services, or other modes of assistance not covered under
2 subsection (1)(b) hereof.

3 (2) Approval by Congress. The President shall submit
4 any agreement for the acceptance or receipt of foreign
5 financial assistance to the Congress no later than the first
6 regular or special session of Congress convened immediately
7 subsequent to the execution of such agreement, for approval
8 by resolution.

9 (a) No such agreement shall be valid, and no
10 funds may be received pursuant to such agreement, unless and
11 until Congress approves the agreement by resolution.

12 (b) Should the Congress not approve such
13 agreement by resolution before the adjournment of the first
14 regular session following the President's submission of the
15 agreement to Congress, that agreement shall be deemed
16 disapproved.

17 (3) Foreign Assistance Fund. There is hereby
18 established within the National Treasury of the Federated
19 States of Micronesia a Foreign Assistance Fund which shall
20 initially consist of all unobligated balances of foreign
21 assistance funds from the preceding fiscal year, and all
22 foreign assistance funds designated for the National
23 Government and made available beginning October 1, 1996.
24 Thereafter, the Department of Finance shall receive, maintain
25 a complete record of, and where applicable, deposit

1 all foreign financial assistance as defined in subsection (1)
2 of this section into the Fund, pursuant to the Financial
3 Management Act of 1979.

4 (a) The President or the President's designee
5 shall notify the Congress of the receipt of foreign financial
6 assistance, the amount thereof in U.S. dollars, and, where
7 applicable, the deposit of such assistance into the Fund, no
8 later than the first session of Congress, be it regular or
9 special, convened subsequent to such receipt.

10 (b) Where the foreign financial assistance
11 received is denominated in the form of goods or services, the
12 President or the President's designee shall notify the
13 Congress of the value thereof in U.S. dollars, and the
14 destination where such goods have been delivered, or location
15 where such services have been rendered, no later than the
16 first session of the Congress convened subsequent to such
17 receipt.

18 (4) Development of Fund - Duties of the Department of
19 Finance. The Division of Investment Management of the
20 Department of Finance shall, upon approval of the President
21 and in cooperation with the Department of External Affairs,
22 actively seek foreign assistance funding, foster productive
23 use of foreign assistance, and produce reports on the
24 acquisition, use, expenditure of, and fiscal obligations
25 attendant upon, foreign assistance available to or received

1 by the National Government of the Federated States of
2 Micronesia.

3 (5) Reports. No later than April 1 of each year, the
4 President shall submit to the Congress a report on the status
5 of the Foreign Assistance Fund, which report shall include:

6 (a) a complete and accurate accounting of all
7 foreign financial assistance received;

8 (b) a complete and accurate record of the manner
9 in which the foreign financial assistance was distributed as
10 among and between the States and the National Government; and

11 (c) whether such distribution comports with the
12 provisions of article XII, section 1(b) of the Constitution."

13 Section 2. Sections 210 through 227 of title 55 of the Code of
14 the Federated States of Micronesia are hereby renumbered as sections 211
15 through 228, respectively.

16 Section 3. This act shall become law upon approval by the
17 President of the Federated States of Micronesia or upon its becoming law
18 without such approval.

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20 _____, 1996

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Bailey Olter
President
Federated States of Micronesia

EX AFF

A BILL FOR AN ACT

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7 understanding, covenant, compact, transaction or other
8 agreement, in any form, entered into by and between an
9 official of the National Government, or the National
10 Government's designee, and a foreign governmental entity, for
11 the receipt or acceptance of financial assistance or aid, on
12 behalf of any National or State governmental entity.

13 (b) 'Foreign financial assistance' shall refer to
14 currency, goods, services, loans, and any and all other
15 tangible or intangible assets, offered as aid or assistance
16 to the National Government of the Federated States of
17 Micronesia, or to the government of any State or lesser
18 political subdivision within the Federated States of
19 Micronesia, other than foreign aid or assistance received
20 from the United States of America pursuant to, or authorized
21 by, the provisions of the Compact of Free Association between
22 the Federated States of Micronesia and the United States of
23 America.

24 (2) Approval by Congress. The President shall submit
25 any agreement for the acceptance or receipt of foreign

1 financial assistance to the Congress no later than the first
2 regular or special session of Congress convened subsequent to
3 the execution of such agreement, for approval by resolution.

4 (a) No such agreement shall be valid, and no
5 funds may be received pursuant to such agreement, unless and
6 until Congress approves the agreement by resolution.

7 (b) Should the Congress not approve such
8 agreement by resolution before the adjournment of the first
9 regular session following the President's submission of the
10 agreement to Congress, that agreement shall be deemed
11 disapproved.

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13 established within the National Treasury of the Federated
14 States of Micronesia a Foreign Assistance Fund which shall
15 initially consist of all unobligated balances of foreign
16 assistance funds from the preceding fiscal year, and all
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20 a complete record of, and where applicable, deposit all
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25 shall notify the Congress of the receipt of foreign financial ,

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9 destination where such goods have been delivered, or location
10 where such services have been rendered, no later than the
11 first regular session of the Congress convened subsequent to
12 such receipt.

13 (4) Development of Fund - Duties of the Department of
14 Finance. The Division of Investment Management of the
15 Department of Finance shall, upon approval of the President
16 and in cooperation with the Department of External Affairs,
17 actively seek foreign assistance funding, foster productive
18 use of foreign assistance, and produce reports on the
19 acquisition, use, expenditure of, and fiscal obligations
20 attendant upon, foreign assistance available to or received
21 by the National Government of the Federated States of
22 Micronesia and the governments of its constituent States and
23 the lesser political subdivisions thereof.

24 (5) Reports. No later than April 1 of each year, the
25 President shall submit to the Congress a report on the status ,

1 of the Foreign Assistance Fund, which report shall include:

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3 foreign financial assistance received:

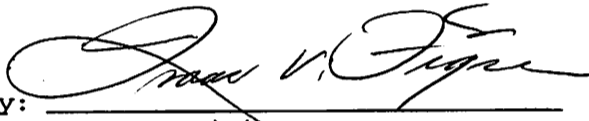
4 (b) a complete and accurate record of the manner
5 in which the foreign financial assistance was distributed as
6 among and between the States and the National Government; and

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8 provisions of article XII, section 1(b) of the Constitution."

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14 without such approval.

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16 Date: 3-4-96

Introduced by: 
Isaac V. Figir

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