

Public Law No. 7 - 101

PRESIDENTIAL COMM. NO. 7-379
FSM CONGRESS

AN ACT

To borrow the sum of \$6,500,000 from the Asian Development Bank on the public credit; to ratify the Fisheries Development Project Loan Agreement of 1992 between the Government of the Federated States of Micronesia and the Asian Development Bank, and the Technical Assistance Agreement of 1992 for Institutional Strengthening for Marine Resources Management and Conservation between the Government of the Federated States of Micronesia and the Asian Development Bank; to further amend title 55 of the Code of the Federated States of Micronesia, as amended, by adding a new subchapter VII of chapter 6 to establish an Asian Development Bank Loan Fund; to appropriate the sum of \$7,654,949 from the General Fund for the fiscal year ending September 30, 1993 to carry out the purposes of the Fisheries Development Project Loan Agreement of 1992 between the Government of the Federated States of Micronesia and the Asian Development Bank, and the Technical Assistance Agreement of 1992 for Institutional Strengthening for Marine Resources Management and Conservation between the Government of the Federated States of Micronesia and the Asian Development Bank; and for other purposes.

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

1 Section 1. Pursuant to the power vested in the Congress of
2 the Federated States of Micronesia by article IX, section 3(a) and
3 (b) of the Constitution of the Federated States of Micronesia, the
4 Congress of the Federated States of Micronesia hereby ratifies the
5 Fisheries Development Project Loan Agreement of 1992 between the
6 Government of the Federated States of Micronesia and the Asian
7 Development Bank, and the Technical Assistance Agreement of 1992 for
8 Institutional Strengthening for Marine Resources Management and
9 Conservation between the Government of the Federated States of
10 Micronesia and the Asian Development Bank, except that the functions,
11 obligations, rights and responsibilities of the National Fisheries
12 Corporation, pursuant to such agreements, shall be assumed, instead,
13 by the President of the Federated States of Micronesia. Such
14 agreements, as modified, shall be hereinafter collectively
15 referred to as the "ADB Loan Agreement of 1992."

16 Section 2. The President of the Federated States of
17 Micronesia, or his designee, is hereby authorized to execute, when
18 appropriate, on behalf of the Government of the Federated States of
19 Micronesia, the final Fisheries Development Project Loan Agreement of
20 1992 between the Government of the Federated States of Micronesia and
21 the Asian Development Bank, and the Technical Assistance Agreement of
22 1992 for Institutional Strengthening for Marine Resources Management

1 and Conservation between the Government of the Federated States of
2 Micronesia and the Asian Development Bank, as modified by section 1
3 of this act, which shall entitle the Government of the Federated
4 States of Micronesia to receive the proceeds of the Loan and shall
5 bind the Government of the Federated States of Micronesia to repay
6 the proceeds of the Loan, interest on the Loan and any and all other
7 charges or fees associated with the Loan as set forth in the ADB Loan
8 Agreement of 1992.

9 Section 3. Title 55 of the Code of the Federated States of
10 Micronesia is hereby further amended by adding a new subchapter VII
11 of chapter 6 entitled "Asian Development Bank Loan Fund."

12 Section 4. Title 55 of the Code of the Federated States of
13 Micronesia is hereby further amended by adding a new section 640 of
14 subchapter VII of chapter 6 to read as follows:

15 "Section 640. Establishment. There is hereby created and
16 established the Asian Development Bank Loan Fund, separate
17 from the General Fund of the Federated States of Micronesia
18 and all other funds."

19 Section 5. Title 55 of the Code of the Federated States of
20 Micronesia is hereby further amended by adding a new section 641 of
21 subchapter VII of chapter 6 to read as follows:

22 "Section 641. Purpose. The purpose of the Fund is to
23 provide an ongoing revolving fund for the receipt and
24 disbursement of funds associated with the ADB Loan
25 Agreement of 1992."

1 Section 6. Title 55 of the Code of the Federated States of
2 Micronesia is hereby further amended by adding a new section 642 of
3 subchapter VII of chapter 6 to read as follows:

4 "Section 642. Deposits. All revenues received pursuant to
5 the ADB Loan Agreement of 1992, the Subsidiary Loan
6 Agreement by and between the Government of the Federated
7 States of Micronesia and the Micronesian Long Line Fishing
8 Corporation, any appropriation made for purposes of
9 facilitating repayment of the Loan or execution of the
10 project identified in the Loan Agreement, and as well as
11 any and all revenue from any and all other sources
12 associated with the subject matter of the ADB Loan
13 Agreement of 1992, shall be deposited in the Fund. Any
14 unexpended moneys in this Fund shall not revert to the
15 General Fund nor lapse at the end of the fiscal year."

16 Section 7. Title 55 of the Code of the Federated States of
17 Micronesia is hereby further amended by adding a new section 643 of
18 subchapter VII of chapter 6 to read as follows:

19 "Section 643. Disbursements. The Secretary of Finance is
20 hereby authorized to make disbursements from moneys
21 available in the Fund, without further authorization or
22 appropriation of the Congress of the Federated States of
23 Micronesia for the purposes of execution of the project
24 identified in the ADB Loan Agreement of 1992, repayment of
25 the proceeds of the Loan, interest on the Loan and any and

1 all other charges or fees associated with the Loan as set
2 forth in the Loan Agreement. Any unexpended moneys in this
3 Fund shall not revert to the General Fund nor lapse at the
4 end of the fiscal year, PROVIDED, however, that upon final
5 payment and satisfaction of the Loan, all unexpended moneys
6 in this Fund shall revert to the General Fund."

7 Section 8. Title 55 of the Code of the Federated States of
8 Micronesia is hereby further amended by adding a new section 644 of
9 subchapter VII of chapter 6 to read as follows:

10 "Section 644. Administration. The Fund shall be
11 administered by the Secretary of Finance of the Federated
12 States of Micronesia, who shall administer the Fund in
13 accordance with the ADB Loan Agreement of 1992, generally
14 accepted accounting standards and sound financial practices
15 for the effectuation and implementation of the provisions
16 of this subchapter."

17 Section 9. Title 55 of the Code of the Federated States of
18 Micronesia is hereby further amended by adding a new section 645 of
19 subchapter VII of chapter 6 to read as follows:

20 "Section 645. Annual report. The President or his
21 designee shall report to the Congress of the Federated
22 States of Micronesia on the status of the Fund at the close
23 of each fiscal year."

24 Section 10. The sum of \$6,500,000, or so much thereof as may be
25 necessary, is hereby appropriated from the General Fund of the

1 Federated States of Micronesia to the Asian Development Bank Loan
2 Fund for the fiscal year ending September 30, 1993 for the purpose of
3 carrying out the provisions of the Fisheries Development Project Loan
4 Agreement of 1992 between the Government of the Federated States of
5 Micronesia and the Asian Development Bank, and the Technical Assistance
6 Agreement of 1992 for Institutional Strengthening for Marine Resources
7 Management and Conservation between the Government of the Federated
8 States of Micronesia and the Asian Development Bank, as modified by
9 section 1 of this act; PROVIDED that the sum of \$4,500,000 shall be
10 made available as a loan to the Micronesian Long Line Fishing
11 Corporation under such terms and conditions as the Secretary of Finance
12 shall determine, which conditions shall include a requirement that
13 equity shares in the Micronesian Long Line Fishing Corporation be
14 offered to members of the private sector in all four States, and that a
15 report be prepared by the President and transmitted to Congress on the
16 procedures used to ensure that the offering of stock was impartial;
17 PROVIDED FURTHER, that the sum of \$2,000,000 shall be made available to
18 the executing agencies of the Government of the Federated States of
19 Micronesia, which executing agencies shall not include the National
20 Fisheries Corporation, under terms and conditions as shall be
21 determined by the Secretary of Finance consistent with the provisions
22 of the ADB Loan Agreement of 1992. The funds appropriated under this
23 section shall be deemed to come from the proceeds of the Loan provided
24 by the ADB Loan Agreement of 1992.

25 Section 11. The sum of \$1,121,000, or so much thereof as

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1 may be necessary, is hereby appropriated from the General Fund of the
2 Federated States of Micronesia to the Asian Development Bank Loan
3 Fund for the fiscal year ending September 30, 1993 to be used to
4 finance the local cost-sharing component attributable to the
5 President of the Federated States of Micronesia as set forth in the
6 Loan Agreement, as modified in section 1 of this act.

7 Section 12. The sum of \$33,949, or so much thereof as may be
8 necessary, is hereby appropriated from the General Fund of the
9 Federated States of Micronesia to the Asian Development Bank Loan
10 Fund for the fiscal year ending September 30, 1993 to be used to
11 finance the local cost-sharing component attributable to the
12 Department of Resources and Development as set forth in the Loan
13 Agreement.

14 Section 13. All funds appropriated by this act shall be
15 allotted, managed, administered, and accounted for in accordance with
16 applicable law, including, but not limited to, the Financial
17 Management Act of 1979. The allottee shall be responsible for
18 ensuring that these funds, or so much thereof as may be necessary,
19 are used solely for the purposes specified in this act, and that no
20 obligations are incurred in excess of the sums appropriated. The
21 authority of the allottee to obligate funds appropriated by this act
22 shall not lapse.

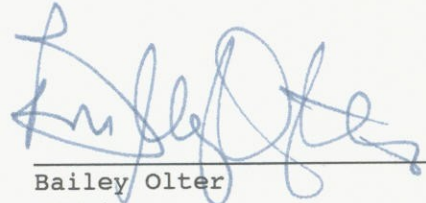
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1 Section 14. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its becoming
3 law without such approval.

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November 27, 1992


Bailey Olter
President
Federated States of Micronesia

