
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:

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

"Section 210. Foreign Assistance Fund.

(1) Definitions.

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

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

(c) 'Foreign in-kind assistance' shall refer to any and all foreign assistance in the form of goods, services, or other modes of assistance not covered under subsection (1)(b) hereof.

(2) Approval by Congress. The President shall submit any agreement for the acceptance or receipt of foreign financial assistance to the Congress no later than the first regular or special session of Congress convened immediately

subsequent to the execution of such agreement, for approval by resolution.

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

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

(3) Foreign Assistance Fund. There is hereby established within the National Treasury of the Federated States of Micronesia a Foreign Assistance Fund which shall initially consist of all unobligated balances of foreign assistance funds from the preceding fiscal year, and all foreign assistance funds designated for the National Government and made available beginning October 1, 1996. Thereafter, the Department of Finance shall receive, maintain a complete record of, and where applicable, deposit all foreign financial assistance as defined in subsection (1) of this section into the Fund, pursuant to the Financial Management Act of 1979.

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

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

(4) Development of Fund - Duties of the Department of Finance. The Division of Investment Management of the Department of Finance shall, upon approval of the President and in cooperation with the Department of External Affairs, actively seek foreign assistance funding, foster productive use of foreign assistance, and produce reports on the acquisition, use, expenditure of, and fiscal obligations attendant upon, foreign assistance available to or received by the National Government of the Federated States of Micronesia.

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

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

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

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

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

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

_____, 1996

Bailey Olter
President
Federated States of Micronesia