

A RESOLUTION

Urging the President to initiate negotiation on a \$40 million loan available either through the Asian Development Bank or the World Bank to establish a revolving fund for the development and rehabilitation of commercial agriculture in the FSM.

1 WHEREAS, the agriculture industry in the FSM remains a weak
2 sector in the FSM economy, resulting in an increasing reliance on
3 imported agricultural products and a severe imbalance in the
4 nation's import-export agriculture trade; and

5 WHEREAS, agriculture remains a basic means of existence for
6 the people of the FSM and remains a potential economic
7 development area for the FSM people who have access to land but
8 very limited access to financial capital; and

9 WHEREAS, the Third FSM Economic Summit held at the COM
10 Palikir Campus has adopted a "High Growth Scenario" Policy for
11 the FSM to follow in the development of its economy in response
12 to the tightening of financial assistance under the amended
13 Compact of Free Association with the United States for the next
14 twenty years and also the stagnant overall economic forecasts for
15 the FSM economy during the first decade of the New Millennium;
16 and

17 WHEREAS, both the Asian Development Bank and the World Bank
18 have shown a commitment to extending financing to the FSM for
19 development of its economy and the general improvement of living
20 standards in the world's developing countries; now, therefore,

21 BE IT RESOLVED by the Thirteenth Congress of the

1 Federated States of Micronesia, Fifth Special Session, 2004,
2 that the FSM Congress respectfully urges the FSM President to
3 explore the availability of a \$40 million loan either through
4 the Asian Development Bank or the World Bank for the sole
5 purpose of establishing a FSM Commercial Agriculture
6 Development Revolving Loan Fund, and to report back to the
7 Congress on any progress by the end of Fiscal Year 2005;

8 BE IT FURTHER RESOLVED that the purpose of any such
9 Commercial Agriculture Development Loan should be limited to
10 the development, rehabilitation and commercialization of
11 crops, livestock, aquacultures, and any transportation and
12 freezing facilities ancillary to the commercialization of such
13 agricultural products;

14 BE IT FURTHER RESOLVED that in the event the loan is
15 available to the FSM, only FSM citizens, either natural
16 persons or any business entity incorporated and actually
17 residing in the FSM, will be able to utilize the loan;

18 BE IT FURTHER RESOLVED that in the event of availability,
19 the implementation of the loan should be managed and
20 administered in accordance with principles, procedures and
21 requirements established to ensure maximum realization of the
22 underlying purpose of the loan;

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25 BE IT FURTHER RESOLVED that certified copies of this

1 resolution be transmitted to the President of the Federated
2 States of Micronesia and the Governors of each state.

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4 Date: 8/30/04

Introduced by: /s/ Sabino S. Asor
Sabino S. Asor

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