

A RESOLUTION

Relating to the FSM Strategic Development Plan to be submitted pursuant to the Amended Compact of Free Association

1       WHEREAS, section 211(c) of the amended Compact of Free  
2 Association with the United States, requires the Federated States  
3 of Micronesia to prepare and maintain an official development plan  
4 that is strategic in nature ("SDP"), which plan, insofar as  
5 Compact grant funds are involved, is subject to the concurrence of  
6 the United States;

7       WHEREAS, by Presidential Communication No. 13-229, dated  
8 December 10, 2004, the President of the Federated States of  
9 Micronesia transmitted for consideration by Congress a draft  
10 Strategic Development Plan (the "Draft SDP");

11       WHEREAS, the Thirteenth FSM Congress, on December 16, 2004,  
12 adopted Congressional Resolution No. 13-163, authorizing the  
13 President to submit the Draft SDP to the United States on a  
14 provisional basis, subject to review, amendment and approval by  
15 Congress;

16       WHEREAS, the Congress is mindful that it is in the interests  
17 of the nation that a final Strategic Development Plan be approved  
18 by Congress no later than during the First Regular Session of the  
19 Fourteenth Congress;

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1       WHEREAS, the Congress has reviewed the Draft SDP, held public  
2 hearings thereon and made the following findings with respect  
3 thereto:

- 4           (a) the Draft SDP presents an extensive history of  
5 development efforts in the FSM, which history is (i) in  
6 many respects, based on opinion rather than fact, (ii)  
7 subject to serious dispute, and (iii) neither necessary  
8 nor appropriate for inclusion in the official Strategic  
9 Plan of the FSM;
- 10          (b) the Draft SDP proposes (i) substantial increases in  
11 government spending in a number of sectors and (ii) tax  
12 incentives to accomplish a number of purposes, but  
13 identifies no source of funding to offset these changes  
14 and balance the budget;
- 15          (c) the Draft SDP presents a detailed tax reform proposal  
16 that is premature, considering that the President's Tax  
17 Reform Task Force has not yet finished its work or  
18 arrived at a consensus with respect to this matter;
- 19          (d) the Draft SDP proposes extensive new legislation that  
20 has neither been subjected to public comment nor  
21 considered by Congress, and is not supported by a  
22 current consensus within the FSM;

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- 1 (e) the Draft SDP, in some areas, sets goals that are  
2 unrealistic in light of competing demands for available  
3 resources;
- 4 (f) the Draft SDP contemplates a substantial shift of  
5 decision-making authority and responsibility for  
6 management of public monies away from elected  
7 representatives and duly-appointed government officials  
8 to independent authorities, non-government  
9 organizations and private sector bodies without  
10 consideration of the impact on transparency,  
11 accountability and democratic principles; and
- 12 (g) the Draft SDP is incomplete and certain portions of the  
13 document have not yet been transmitted to Congress;

14 now, therefore,

15 BE IT RESOLVED by the Thirteenth Congress of the Federated  
16 States of Micronesia, Seventh Special Session, 2005, that the  
17 Executive Branch is requested to revise the draft Strategic  
18 Development Plan in light of the findings set forth above and to  
19 transmit such revised SDP for review and approval during the First  
20 Regular Session of the Fourteenth FSM Congress;

21 BE IT FURTHER RESOLVED that the standing committees of the  
22 Thirteenth FSM Congress, through their respective chairmen, shall,  
23 during the remainder of said Thirteenth Congress, continue to  
24 consult with the Executive Branch, conduct such public hearings as

1 they may deem necessary and appropriate, and take other  
2 appropriate actions in furtherance of the preparation and  
3 consideration of a revised SDP for approval by the Fourteenth FSM  
4 Congress; and

5 BE IT FURTHER RESOLVED that certified copies of this  
6 resolution be transmitted to the President of the Federated States  
7 of Micronesia and the Governor of each State.

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9 Date: 3/30/05

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

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