

A RESOLUTION

Approving and accepting the ¥200,000,000 financial grant, and all the terms and conditions of said grant, from the Government of Japan to the Government of the Federated States of Micronesia.

1 WHEREAS, the Government of Japan extended to the Government
2 of the Federated States of Micronesia economic cooperation grant
3 (the "Grant") in the amount of ¥200,000,000; and

4 WHEREAS, the purpose of the grant is to contribute to the
5 promotion of the economic structural adjustment efforts by the
6 Government of the Federated States of Micronesia as well as
7 mitigation of the economic difficulties, including indebtedness,
8 of the Federated States of Micronesia; and

9 WHEREAS, both the Government of the Federated States of
10 Micronesia and the Government of Japan exchanged diplomatic notes
11 on January 21, 2009 concerning the Grant; and

12 WHEREAS, the Grant explicitly provides that the Government of
13 the Federated States of Micronesia shall take necessary measures:
14 "(a) to secure that the Grant and its accrued interest shall be
15 complete disbursed from the Account to be ready for the
16 procurement of goods or services within the period of twelve
17 months after the date of the execution of the Grant unless the
18 period is extended by mutual consent between the authorities
19 concerned of the two Governments and to refund the amount
20 remaining in the Account after the period to the Government of
21 Japan; (b) to ensure that customs duties, internal taxes and other

1 fiscal levies which may be imposed in the Federated States of
2 Micronesia with respect to the purchase of the products and
3 services referred to in sub-paragraph (1) of paragraph (2). shall
4 not be borne by the Grant; (c) to ensure that the Grant and its
5 accrued interest be used properly and effectively for promotion of
6 the economic structural adjustment efforts as well as mitigation
7 of the economic difficulties, including indebtedness, of the
8 Federated States of Micronesia; (d) to present to the Government
9 of Japan a report prepared in a written form acceptable to the
10 Government of Japan on the transactions on the Account together
11 with copies of contracts, vouchers and other documents concerning
12 the relevant transactions without delay when the Grant and its
13 accrued interest are completely drawn in accordance with the
14 provisions of sub-paragraph (2) of paragraph 3., or when the
15 period for the use of the Grant and its accrued interest expires
16 in accordance with the provisions of (a) above, or upon request by
17 the Government of Japan; and (e) to give due environmental and
18 social consideration in the uses of the Grant"; and

19 WHEREAS, section 210(2) of title 55 of the Code of the
20 Federated States of Micronesia requires foreign finance assistance
21 to be approved by Congress by resolution; now, therefore,

22 BE IT RESOLVED by the Sixteenth Congress of the Federated
23 States of Micronesia, First Special Session, 2009, that the
24 ¥200,000,000 financial Grant from the Government of Japan,
25 including all the terms and conditions such as those as are

1 expressed in this resolution, is hereby approved and accepted; and

2 BE IT FURTHER RESOLVED that Congress is grateful and
3 appreciative to the Government of Japan for the benevolent
4 assistance and gesture of strengthening friendly and cooperative
5 relations; and

6 BE IT FINALLY RESOLVED that certified copies of this
7 resolution be transmitted to the President of the Federated States
8 of Micronesia, the Secretary of the Department of Foreign Affairs,
9 and the Government of Japan.

10

11 Date: 9/01/09

Introduced by: /s/ Joe N. Suka

Joe N. Suka
(by request)

12

13

14

15

16

17

18

19

20

21

22

23

24