
A BILL FOR AN ACT

To amend section 210 of title 55 of the Code of the Federated States of Micronesia, to require that all foreign financial assistance be dedicated for a specific program or purpose, and for other purposes.

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

1 Section 1. Section 210 of title 55 of the Code of the
2 Federated States of Micronesia is hereby amended to read as
3 follows:

4 "Section 210. Foreign Assistance Fund.

5 (1) Definitions.

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

14 (b) "Foreign financial assistance" shall refer to
15 currency, money, accounts or notes receivable, offered
16 as aid or assistance to the National Government of the
17 Federated States of Micronesia, other than foreign aid
18 or assistance received from the United States of
19 America pursuant to, or authorized by, the provisions
20 of the Compact of Free Association between the

1 Federated States of Micronesia and the United States of
2 America.

3 (c) "Foreign in-kind assistance" shall refer to
4 any and all foreign assistance in the form of goods,
5 services, or other modes of assistance not covered
6 under subsection (1)(b) thereof.

7 (2) Approval by Congress. The President shall submit
8 any agreement for the acceptance or receipt of foreign
9 financial assistance to the Congress no later than the
10 first regular or special session of Congress convened
11 immediately subsequent to the execution of such
12 agreement, for approval by resolution.

13 (a) Any agreement for foreign financial assistance
14 must dedicate all money from such agreement to a
15 specific program or purpose.

16 (b) The submission of such agreement to Congress
17 must include a detailed account of the specific program
18 or purpose for which the money is intended.

19 ~~[(a)]~~ (c) No such agreement shall be valid, and no funds
20 may be received pursuant to such agreement, unless and
21 until Congress approves the agreement by resolution.

22 ~~[(b)]~~ (d) Should the Congress not approve such agreement
23 by resolution before the adjournment of the first
24 regular session following the President's submission of
25 the agreement to Congress, that agreement shall be

1 deemed disapproved.

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

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

22 (b) Where the foreign financial assistance
23 received is denominated in the form of goods or
24 services, the President or the President's designee
25 shall notify the Congress of the value thereof in U.S.

1 dollars, and the destination where such goods have been
2 delivered, or location where such services have been
3 rendered, no later than the first session of the
4 Congress convened subsequent to such receipt.

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

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

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

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

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

4 Section 2. This act shall become law upon approval by the
5 President of the Federated States of Micronesia or upon its
6 becoming law without such approval.

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8 Date: 9/12/11 Introduced by: /s/ Wesley W. Simina
9 Wesley W. Simina

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