

STANDING COMMITTEE REPORT NO. 17-179

RE: C.R. NO. 17-204/R&D

SUBJECT: FSM'S ACCESSION TO THE INTERNATIONAL
FUND FOR AGRICULTURAL DEVELOPMENT

JANUARY 22, 2013

The Honorable Isaac V. Figir
Speaker, Seventeenth Congress
Federated States of Micronesia
Sixth Regular Session, 2013

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was referred
C.R. No. 17-204, entitled:

"A RESOLUTION APPROVING THE FSM'S MEMBERSHIP TO THE
INTERNATIONAL FUND FOR AGRICULTUREAL DEVELOPMENT
(IFAD).",

begs leave to report as follows:

The intent and purpose of the resolution are expressed in its title.

The President has transmitted Congressional Resolution No. 17-204 to
Congress through Presidential Communication No. 17-345 on January 8,
2013.

Your Committee conducted a public hearing on C.R. No. 17-204 on
Friday, January 18, 2013 at 8:30 a.m. in the Congress hearing room.
Witnesses included the Secretary of the Department of Resources and
Development, Mr. Marion Henry, Assistant Secretary Gibson Susumu, the
Secretary of the Department of Finance and Administration, Mr. Kensly
Kosia, Consultant from IFAD subregional office in Fiji, and the
President's Office representative, Mr. Pelsesar Petrus.

Chairman Roger Mori opened the hearing and allowed the witnesses to
comment on the FSM's accession to the International Fund for
Agricultural Development. According to the Consultant from the IFAD
regional office, \$25 million US dollars is already provided to the

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Pacific Island Countries that are members of IFAD for agriculture projects and programs. He further stated that the opportunities are there with IFAD, and small developing countries like the FSM need to become a member to access this type of funding. If the FSM becomes a member to IFAD, it can tap funding to supplement its agriculture projects and programs. According to the Consultant, there were nine Pacific Island Countries (PICs) that are already members to IFAD and the newest three PICs include Nauru, Tuvalu and Vanuatu.

Your Committee inquired with Secretary Henry on the current agriculture projects and programs in each of the states that have been funded by the National Government. The discussion centered on the tissue culture in Kosrae State, the seedling projects in each of the states and the effort on the outer islands especially food security. It appears that the Department of Resources and Development had been neglecting these agriculture projects and programs. Secretary Henry indicated that hopefully, if the FSM becomes a member to IFAD, the Department could apply for more funding from IFAD to supplement the agriculture projects and programs in each of the states.

Your Committee inquired what are the benefits to the outer islands of this Nation if the FSM becomes a member. Particularly, who gets to apply to IFAD? The general comment is that it is open; the Government, the Private Sector or NGO can apply.

Your Committee inquired on the process of this accession. Is this the appropriate way of acceding to the IFAD? Secretary Henry stated that according to the AG's Office, this is the legal and proper way. Secretary Henry indicated that once the FSM submits its application, there is a Council that will review the FSM's application to IFAD. More likely, the Council will approve the FSM's application so the Department will not come to Congress again to seek any approval process for IFAD.

On the membership fee or contribution of the FSM to IFAD, Secretary Henry stated that the contribution is voluntary. Thus, the FSM may put up \$500 or \$1,000 dollars as its contribution, but it is not a requirement.

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With the testimonies received during the hearing, your Committee wishes to offer several amendments to C.R. No. 17-204 as follows:

1. Title, line 1, delete "Approving", insert "approve the Federated States of Micronesia's accession" and delete "~~the FSM's membership~~".
2. Page 1, lines 15 to 18, delete them in their entirety.
3. Page 2, lines 5 to 8, delete them in their entirety.
4. Page 2, line 10, delete "being a member" and insert "accession to IFAD" in lieu thereof.
5. Page 2, lines 13 to 20, delete them in their entirety.
6. Page 3, line 11, delete "~~membership~~" and insert "accession" in lieu thereof and also delete "into" and insert "to" in lieu thereof.
7. Page 3, line 11, delete "and".
8. Page 3, line 12, delete it in its entirety.
9. Page 3, line 13, delete "resources".
10. Page 3, line 16, delete "~~the Vice President of the Federated States of Micronesia~~".
11. Page 3, line 17, delete "~~the Secretary of Foreign~~".
12. Page 3, lines 18 to 21, delete them in their entirety.

Recommendations of your committee

Your Committee on Resources and Development is in accord with the intent and purpose of C.R. No. 17-204 and recommends its adoption in the form attached hereto as C.R. No. 17-204, C.D.1.

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Respectfully submitted,

/s/ Roger S. Mori
Roger S. Mori, chairman

Yosiwo P. George, vice chairman

/s/ Peter M. Christian
Peter M. Christian, member

/s/ Florencio S. Harper
Florencio Singkoro Harper, member

/s/ Bonsiano F. Nethon
Bonsiano F. Nethon, member

/s/ David W. Panuelo
David W. Panuelo, member

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member