A BILL FOR AN ACT

To appropriate from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2004, all sums directly or indirectly received as the proceeds of the first tranche of the FSM National Government's portion of the Private Sector Development Program Loan from the Asian Development Bank, in an amount not to exceed $500,000, for the purpose of funding transition assistance, a revenue reform initiative and/or technical assistance for National Government public sector enterprise transformations, and for other purposes.

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

Section 1. Authorization. The President of the FSM is hereby authorized to utilize the proceeds of the first tranche of the FSM National Government's portion of the Private Sector Development (PSD) Program Loan from the Asian Development Bank, in an amount not to exceed $500,000, for any or all of the following purposes:

(1) to support the effective transition of the FSM to renewed Compact economic assistance provisions through means such as the preparation of strategic planning materials for the private sector and priority sectors of agriculture, fisheries and tourism as inputs into an Economic Summit and Strategic Development Plan;

(2) to support further development of the FSM-wide revenue reform initiative such as improvements in tax administration, preparation of required legislation, technical assistance and
public education for design and implementation of tax reform, and
a study tour by relevant legislators and executive officials to
observe modern tax reforms implemented by Pacific nations such as
the Cook Islands, Samoa, and New Zealand; and
(3) to obtain technical assistance required to implement
one or more National Government public sector enterprise
transformations called for in the program loan policy matrix.

Section 2. Suballotment. The President shall be permitted
to sub-allot funds appropriated hereunder to the Department of
Economic Affairs as the implementing agency for the PSD project
and program loans.

Section 3. Reporting requirement. Following the exhaustion
of funds appropriated by this act, the President shall submit a
report to Congress detailing how the funds appropriated hereunder
were expended.

Section 4. Lapse. The funds appropriated by this act shall
lapse as of September 30, 2007.

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

Date: 10/21/03

Introduced by: /s/ Henry C. Asugar

Henry C. Asugar
(by request)