A RESOLUTION

Urging the President to initiate negotiation on a $40 million loan available either through the Asian Development Bank or the World Bank to establish a revolving fund for the development and rehabilitation of commercial agriculture in the FSM.

WHEREAS, the agriculture industry in the FSM remains a weak sector in the FSM economy, resulting in an increasing reliance on imported agricultural products and a severe imbalance in the nation's import-export agriculture trade; and

WHEREAS, agriculture remains a basic means of existence for the people of the FSM and remains a potential economic development area for the FSM people who have access to land but very limited access to financial capital; and

WHEREAS, the Third FSM Economic Summit held at the COM Palikir Campus has adopted a "High Growth Scenario" Policy for the FSM to follow in the development of its economy in response to the tightening of financial assistance under the amended Compact of Free Association with the United States for the next twenty years and also the stagnant overall economic forecasts for the FSM economy during the first decade of the New Millennium; and

WHEREAS, both the Asian Development Bank and the World Bank have shown a commitment to extending financing to the FSM for development of its economy and the general improvement of living standards in the world's developing countries; now, therefore,

BE IT RESOLVED by the Thirteenth Congress of the
Federated States of Micronesia, Fifth Special Session, 2004, that the FSM Congress respectfully urges the FSM President to explore the availability of a $40 million loan either through the Asian Development Bank or the World Bank for the sole purpose of establishing a FSM Commercial Agriculture Development Revolving Loan Fund, and to report back to the Congress on any progress by the end of Fiscal Year 2005;

BE IT FURTHER RESOLVED that the purpose of any such Commercial Agriculture Development Loan should be limited to the development, rehabilitation and commercialization of crops, livestock, aquacultures, and any transportation and freezing facilities ancillary to the commercialization of such agricultural products;

BE IT FURTHER RESOLVED that in the event the loan is available to the FSM, only FSM citizens, either natural persons or any business entity incorporated and actually residing in the FSM, will be able to utilize the loan;

BE IT FURTHER RESOLVED that in the event of availability, the implementation of the loan should be managed and administered in accordance with principles, procedures and requirements established to ensure maximum realization of the underlying purpose of the loan;

BE IT FURTHER RESOLVED that certified copies of this
resolution be transmitted to the President of the Federated States of Micronesia and the Governors of each state.

Date: 8/30/04

Introduced by: /s/ Sabino S. Asor

Sabino S. Asor