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.

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

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

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

WHEREAS, the Grant explicitly provides that the Government of the Federated States of Micronesia shall take necessary measures:

“(a) to secure that the Grant and its accrued interest shall be complete disbursed from the Account to be ready for the procurement of goods or services within the period of twelve months after the date of the execution of the Grant unless the period is extended by mutual consent between the authorities concerned of the two Governments and to refund the amount remaining in the Account after the period to the Government of Japan; (b) to ensure that customs duties, internal taxes and other
fiscal levies which may be imposed in the Federated States of Micronesia with respect to the purchase of the products and services referred to in sub-paragraph (1) of paragraph (2). shall not be borne by the Grant; (c) to ensure that the Grant and its accrued interest be used properly and effectively for promotion of the economic structural adjustment efforts as well as mitigation of the economic difficulties, including indebtedness, of the Federated States of Micronesia; (d) to present to the Government of Japan a report prepared in a written form acceptable to the Government of Japan on the transactions on the Account together with copies of contracts, vouchers and other documents concerning the relevant transactions without delay when the Grant and its accrued interest are completely drawn in accordance with the provisions of sub-paragraph (2) of paragraph 3., or when the period for the use of the Grant and its accrued interest expires in accordance with the provisions of (a) above, or upon request by the Government of Japan; and (e) to give due environmental and social consideration in the uses of the Grant”; and

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

BE IT RESOLVED by the Sixteenth Congress of the Federated States of Micronesia, First Special Session, 2009, that the ¥200,000,000 financial Grant from the Government of Japan, including all the terms and conditions such as those as are
expressed in this resolution, is hereby approved and accepted; and

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

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

Date: 9/01/09

Introduced by: /s/ Joe N. Suka
Joe N. Suka
(by request)