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A BILL FOR AN ACT

To amend title 55 of the Code of the Federated States of Micronesia, by amending section 210 thereof, to require 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  
2 the Federated States of Micronesia is hereby amended to  
3 read as follows:

4                   "Section 210. Foreign Assistance Fund.

5                   (1) Definitions.

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

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

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1 to, or authorized by, the provisions of the Compact  
2 of Free Association between the Federated States of  
3 Micronesia and the United States of America.

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

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

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

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

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

25 ~~[-(b)-]~~ (d) Should the Congress not approve such

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1        agreement by resolution before the adjournment of the  
2        first regular session following the President's  
3        submission of the agreement to Congress, that  
4        agreement shall be deemed disapproved.

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

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

25                (b) Where the foreign financial assistance

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1 received is denominated in the form of goods or  
2 services, the President or the President's designee  
3 shall notify the Congress of the value thereof in  
4 U.S. dollars, and the destination where such goods  
5 have been delivered, or location where such services  
6 have been rendered, no later than the first session  
7 of the Congress convened subsequent to such receipt.

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

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

23 (a) complete and accurate accounting of  
24 all foreign financial assistance received;

25 (b) a complete and accurate record of the

1 manner in which the foreign financial assistance was  
2 distributed as among and between the States and the  
3 National Government; and

4 (c) whether such distribution comports  
5 with the provisions of article XII, section 1(b) of  
6 the Constitution.

7 Section 2. This act shall become law upon approval  
8 by the President of the Federated States of Micronesia or  
9 upon its becoming law without such approval.

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11 Date: 9/19/11 Introduced by: /s/ Wesley W. Simina  
Wesley W. Simina

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