February 12, 2017

The Honorable Wesley W. Simina
Speaker
Nineteenth Congress of the Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following congressional act, which I have signed to become Public Law No. 19-149:

Congressional Act No. 19-146: "AN ACT TO SIMPLIFY THE RULES AND PROCEDURES IN APPROVING FOREIGN GRANTS BY AMENDING SECTION 210 AND REPEALING SECTION 211 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, AND FOR OTHER PURPOSES.

I wish to express our appreciation to Congress for the passage of the act. This will accelerate the process of disbursement of funds to grantee. Thank you.

Sincerely,

Peter M. Christian
President

Enclosure:

xc: Chief Justice, FSM Supreme Court
January 31, 2017

His Excellency Peter M. Christian
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Christian:

I have the honor to transmit herewith Congressional Act No. 19-146, "AN ACT TO SIMPLIFY THE RULES AND PROCEDURES IN APPROVING FOREIGN GRANTS BY AMENDING SECTION 210 AND REPEALING SECTION 211 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, AND FOR OTHER PURPOSES. ", which was passed by the Nineteenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2017, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

Liwiana Ramon Ioanis
Chief Clerk, Congress of the Federated States of Micronesia

Enclosures
An Act

TO SIMPLIFY THE RULES AND PROCEDURES IN APPROVING FOREIGN GRANTS BY AMENDING SECTION 210 AND REPEALING SECTION 211 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)

DATE: DECEMBER 14, 2016

REFERRED TO: COMMITTEES ON EXTERNAL AFFAIRS & WAYS AND MEANS

WITHDRAWN – JANUARY 27, 2017

FIRST READING: JANUARY 27, 2017
SECOND READING: JANUARY 28, 2017

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress
ACT NO. 19-146

(CONGRESSIONAL BILL NO. 19-238, C.D.1)

We hereby certify that on January 28 the foregoing act passed Second and Final Reading of the Nineteenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2017, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

Wesley W. Simina
Speaker
Congress of the
Federated States of Micronesia

Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia
AN ACT

To simplify the rules and procedures in approving foreign grants by amending section 210 and repealing section 211 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, and for other purposes.

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

1. Section 1. Statement of policy. Approving foreign grants is presently a role played by Congress. However, delays have been experienced in the past with respect to several foreign grants because they needed to await for Congress to convene to consider their adoption. The intent of this act is to simplify the process of approving foreign grants in order to avoid losing valuable foreign grants that could be very useful and beneficial to FSM citizens.

9. Section 2. Section 210 of title 55 of the Code of the Federated States of Micronesia (Annotated) as amended, is hereby further amended to read as follows:


(1) Definitions.

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

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

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

(2) Approval by Congress. U.S. federally funded program grant awards under $100,000 do not require approval by Congress by resolution. All other foreign financial assistance in any amount requires approval by Congress by resolution. The President shall submit any agreement for the acceptance or receipt of foreign financial assistance to the Congress no later than the first regular or special session congress convened immediately subsequent to the execution of such agreement, for approval by resolution.

(a) No such agreement shall be valid, and no funds may be received pursuant to such agreement,
unless and until the requirements of this section have
been met. Foreign financial assistance of up to
$10,000 may be disbursed by the President in
accordance with the terms and conditions of the
assistance.

(b) Should the Congress not approve such
agreement by resolution before the adjournment of the
first regular session following the President's
submission of the agreement to Congress, that
agreement shall be deemed disapproved.

(c) Any first time application for foreign
financial assistance shall require the approval by
Congress through a resolution.

(3) Foreign Assistance Fund. There is hereby
established within the National Treasury of the
Federated States of Micronesia a Foreign Assistance
Fund which shall initially consist of all unobligated
balances of foreign assistance funds from the receding
fiscal year, and all foreign assistance funds
designated for the National government and made
available beginning October 1, 1996. Thereafter, the
Department of Finance shall receive, maintain a
complete record of, and where applicable, deposit all
foreign financial assistance as defined in subsection
(1) of this section into the Fund, pursuant to the

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

(b) Where the foreign financial assistance received is denominated in the form of goods or services, the President or the President's designee shall notify the Congress of the value thereof in U.S. dollars, and the designation where such goods have been delivered, or location of where such services have been rendered, no later that the first session of the Congress convened subsequent to such receipt.

(4) Development of Fund – Duties of the Department of Finance. The Division of Investment Management of the Department of Finance shall, upon approval of the President and in cooperation with the Department of Foreign Affairs, actively seek foreign assistance funding, foster productive use of foreign assistance, and produce reports on the acquisition, use, expenditure of, and fiscal obligations attendant upon, foreign assistance available to or received by the
National Government of the Federated States of Micronesia.

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

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

(b) a complete and accurate record of the manner in which the foreign financial assistance was distributed as among and between the States and the National Government; and

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

Section 3. Section 211 of title 55 of the Code of the Federated States of Micronesia (Annotated) as amended, is hereby repealed in its entirety.
Section 4. This act shall become law upon approval by the President of the Federated States of Micronesia (Annotated), as amended, or upon its becoming law without such approval.

2/13, 2017

Peter M. Christian
President
Federated States of Micronesia