Agriculture" means the science, art, or business of cultivating soil, producing crops, and raising livestock;
(2) "Entity" means any State entity created by any State government of the Federated States of Micronesia pursuant to the authority vested in said State by section 601 of title 24 of the Code of the Federated States of Micronesia; and
(3) "1 to 1 ratio" means that for every dollar a State appropriates pursuant to this act, the National Government shall appropriate $1 as matching funds therefor.

Section 2. Establishment. There is hereby established a natural resources development matching grant, which may be cited at the "Development Matching Grant."

Section 3. Purpose. The purpose of the Development Matching Grant is to provide matching funds on a 1 to 1 ratio to any State of the Federated States of Micronesia that appropriates funds for either agricultural resources development projects or marine resources development projects, or both, to be administered as follows:
(1) For marine resources development projects, and for those States that have already established entities pursuant to 24 P.S.M.C. 601, such Development Matching Grant shall be administered by said
entities, but for those States that have not established such entities,
the Development Matching Grant shall be administered by an appropriate
State agency to be designated by the State law which appropriates the
matching funds; and

(2) For agricultural resources development projects, the
Development Matching Grant shall be administered by an appropriate
State agency to be designated by the State law which appropriates
the matching funds.

Section 4. Powers of the entity or designated agency. The entity
or agency designated to administer the Development Matching Grant shall
be provided with the power and authority to effectively carry out the
purpose of this act, which powers may include, but not be limited to,
the following:

(1) In the case of agricultural resources development projects,
the designated agency shall be provided with the following powers:

(a) To provide guidance to the State government in
establishing agricultural resources development policy;

(b) To make regulations concerning the development and
promotion of agriculture within such State and, whenever practicable,
to promote agricultural products abroad;

(c) To serve as a conduit for public funds, to establish
and operate facilities required for the development of agriculture and
the marketing of agricultural products, and to sponsor research studies
to improve and develop agriculture in said State;

(d) To establish and support programs to promote, support,
and guide agriculture and associations relating to agriculture; and

(a) To formulate an annual comprehensive agricultural development project plan to be submitted to the Congress of the Federated States of Micronesia for its review and approval as a condition precedent to the receipt of any funds under the Development Matching Grant.

(2) In the case of marine resources development projects, the entity or agency designated by State law in compliance with this act shall be provided with the following powers:

(a) To provide guidance to the State government in establishing marine resources development policy;

(b) To make regulations concerning the exploitation of living or non-living marine resources as permitted by law;

(c) To serve as a conduit for public funds, to establish and operate facilities required for commercial fisheries development, to conduct pilot fishing operations, and to participate in large-scale commercial fishing and related activities which are not suitable for investment by the private sector;

(d) To establish and support programs to promote, support, and guide fishing cooperative associations; and

(e) To formulate an annual comprehensive marine resources development project plan to be submitted to the Congress of the Federated States of Micronesia for its review and approval as a condition precedent to the receipt of any funds from the Development Matching Grant.

Section 5. Terms and conditions. In order to be eligible for the
1 Development Matching Grant, a State shall meet the following criteria:
2       (1) A State shall submit to the Congress of the Federated
3 States of Micronesia an annual comprehensive development project plan
4 which shall set forth in detail the projects for which the funds shall
5 be used and the amount of funds needed for the project or projects.
6       (2) A State shall submit the report of its activities in the
7 previous year, where applicable, setting forth in detail the projects
8 funded by the Development Matching Grant, the amount of funds used on
9 each project or projects, the amount of funds remaining unexpended, plus
10 a narrative report of the activities during the previous fiscal year.
11       (3) A State shall first appropriate the required State funds
12 to match the congressional appropriation. Such State may appropriate
13 funds for either agricultural resources development projects or for
14 marine resources development projects, or for both.
15       (4) No State may receive any funds from the Development
16 Matching Grant in excess of $250,000 during one fiscal year. For the
17 purpose of computing the $250,000 to be appropriated to each State
18 pursuant to this act for fiscal year 1985, any appropriation to any
19 State of the Federated States of Micronesia made pursuant to 24 F.S.M.C.
20 et seq. for fiscal year 1985 shall be included.
21       (5) The funds appropriated pursuant to this act shall not
22 be used to defray the administrative expenses of any of the projects
23 funded by this act.
24 Section 6. Authorization. There is hereby authorized to be
25 appropriated from the General Fund of the Federated States of Micronesia
the sum of $1 million for each of the fiscal years 1985 through 1989
for the purpose of funding the Development Matching Grant.

Section 7. Report. The Governor of any State of the Federated
States of Micronesia receiving funds from the Development Matching
Grant shall submit the annual report of the State's activities to the
President of the Federated States of Micronesia and the Speaker of the
Congress of the Federated States of Micronesia no later than 30 days
after the close of the fiscal year in which the funds were obtained and
used. Failure to submit said report shall be sufficient cause to dis-
qualify a State from receiving funding from the Development Matching
Grant. Such disqualification shall be removed upon the submission to
the President and the Speaker of the required report.

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

Feb. 27, 1985

Tosiro Nakayama
President
Federated States of Micronesia