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

Section 1. Pursuant to the power vested in the Congress of the Federated States of Micronesia by article IX, section 3(a) and (b) of the Constitution of the Federated States of Micronesia, the Congress of the Federated States of Micronesia hereby ratifies the Fisheries Development Project Loan Agreement of 1992 between the Government of the Federated States of Micronesia and the Asian Development Bank, and the Technical Assistance Agreement of 1992 for Institutional Strengthening for Marine Resources Management and Conservation between the Government of the Federated States of Micronesia and the Asian Development Bank, except that the functions, obligations, rights and responsibilities of the National Fisheries Corporation, pursuant to such agreements, shall be assumed, instead, by the President of the Federated States of Micronesia. Such agreements, as modified, shall be hereinafter collectively referred to as the "ADB Loan Agreement of 1992."

Section 2. The President of the Federated States of Micronesia, or his designee, is hereby authorized to execute, when appropriate, on behalf of the Government of the Federated States of Micronesia, the final Fisheries Development Project Loan Agreement of 1992 between the Government of the Federated States of Micronesia and the Asian Development Bank, and the Technical Assistance Agreement of 1992 for Institutional Strengthening for Marine Resources Management...
1 and Conservation between the Government of the Federated States of
2 Micronesia and the Asian Development Bank, as modified by section 1
3 of this act, which shall entitle the Government of the Federated
4 States of Micronesia to receive the proceeds of the Loan and shall
5 bind the Government of the Federated States of Micronesia to repay
6 the proceeds of the Loan, interest on the Loan and any and all other
7 charges or fees associated with the Loan as set forth in the ADB Loan
9
10 Section 3. Title 55 of the Code of the Federated States of
11 Micronesia is hereby further amended by adding a new subchapter VII
12 of chapter 6 entitled "Asian Development Bank Loan Fund."
13
14 Section 4. Title 55 of the Code of the Federated States of
15 Micronesia is hereby further amended by adding a new section 640 of
16 subchapter VII of chapter 6 to read as follows:
17
18 "Section 640. Establishment. There is hereby created and
19 established the Asian Development Bank Loan Fund, separate
20 from the General Fund of the Federated States of Micronesia
21 and all other funds."
22
23 Section 5. Title 55 of the Code of the Federated States of
24 Micronesia is hereby further amended by adding a new section 641 of
25 subchapter VII of chapter 6 to read as follows:
26
27 "Section 641. Purpose. The purpose of the Fund is to
28 provide an ongoing revolving fund for the receipt and
29 disbursement of funds associated with the ADB Loan
30 Agreement of 1992."
Section 6. Title 55 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 642 of subchapter VII of chapter 6 to read as follows:

"Section 642. Deposits. All revenues received pursuant to the ADB Loan Agreement of 1992, the Subsidiary Loan Agreement by and between the Government of the Federated States of Micronesia and the Micronesian Long Line Fishing Corporation, any appropriation made for purposes of facilitating repayment of the Loan or execution of the project identified in the Loan Agreement, and as well as any and all revenue from any and all other sources associated with the subject matter of the ADB Loan Agreement of 1992, shall be deposited in the Fund. Any unexpended moneys in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year."

Section 7. Title 55 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 643 of subchapter VII of chapter 6 to read as follows:

"Section 643. Disbursements. The Secretary of Finance is hereby authorized to make disbursements from moneys available in the Fund, without further authorization or appropriation of the Congress of the Federated States of Micronesia for the purposes of execution of the project identified in the ADB Loan Agreement of 1992, repayment of the proceeds of the Loan, interest on the Loan and any and
all other charges or fees associated with the Loan as set forth in the Loan Agreement. Any unexpended moneys in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year, PROVIDED, however, that upon final payment and satisfaction of the Loan, all unexpended moneys in this Fund shall revert to the General Fund."

Section 8. Title 55 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 644 of subchapter VII of chapter 6 to read as follows:

"Section 644. Administration. The Fund shall be administered by the Secretary of Finance of the Federated States of Micronesia, who shall administer the Fund in accordance with the ADB Loan Agreement of 1992, generally accepted accounting standards and sound financial practices for the effectuation and implementation of the provisions of this subchapter."

Section 9. Title 55 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 645 of subchapter VII of chapter 6 to read as follows:

"Section 645. Annual report. The President or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Fund at the close of each fiscal year."

Section 10. The sum of $6,500,000, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the
Federated States of Micronesia to the Asian Development Bank Loan

Fund for the fiscal year ending September 30, 1993 for the purpose of carrying out the provisions of the Fisheries Development Project Loan Agreement of 1992 between the Government of the Federated States of Micronesia and the Asian Development Bank, and the Technical Assistance Agreement of 1992 for Institutional Strengthening for Marine Resources Management and Conservation between the Government of the Federated States of Micronesia and the Asian Development Bank, as modified by section 1 of this act; PROVIDED that the sum of $4,500,000 shall be made available as a loan to the Micronesian Long Line Fishing Corporation under such terms and conditions as the Secretary of Finance shall determine, which conditions shall include a requirement that equity shares in the Micronesian Long Line Fishing Corporation be offered to members of the private sector in all four States, and that a report be prepared by the President and transmitted to Congress on the procedures used to ensure that the offering of stock was impartial; PROVIDED FURTHER, that the sum of $2,000,000 shall be made available to the executing agencies of the Government of the Federated States of Micronesia, which executing agencies shall not include the National Fisheries Corporation, under terms and conditions as shall be determined by the Secretary of Finance consistent with the provisions of the ADB Loan Agreement of 1992. The funds appropriated under this section shall be deemed to come from the proceeds of the Loan provided by the ADB Loan Agreement of 1992.

Section 11. The sum of $1,121,000, or so much thereof as
may be necessary, is hereby appropriated from the General Fund of the
Federated States of Micronesia to the Asian Development Bank Loan
Fund for the fiscal year ending September 30, 1993 to be used to
finance the local cost-sharing component attributable to the
President of the Federated States of Micronesia as set forth in the
Loan Agreement, as modified in section 1 of this act.

Section 12. The sum of $33,949, or so much thereof as may be
necessary, is hereby appropriated from the General Fund of the
Federated States of Micronesia to the Asian Development Bank Loan
Fund for the fiscal year ending September 30, 1993 to be used to
finance the local cost-sharing component attributable to the
Department of Resources and Development as set forth in the Loan
Agreement.

Section 13. All funds appropriated by this act shall be
allotted, managed, administered, and accounted for in accordance with
applicable law, including, but not limited to, the Financial
Management Act of 1979. The allottee shall be responsible for
ensuring that these funds, or so much thereof as may be necessary,
are used solely for the purposes specified in this act, and that no
obligations are incurred in excess of the sums appropriated. The
authority of the allottee to obligate funds appropriated by this act
shall not lapse.
Section 14. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its becoming
law without such approval.

November 27, 1992

Bailey Olter
President
Federated States of Micronesia