

A BILL FOR AN ACT

To appropriate from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2004, all sums directly or indirectly received as the proceeds of the first tranche of the FSM National Government's portion of the Private Sector Development Program Loan from the Asian Development Bank, in an amount not to exceed \$500,000, for the purpose of funding transition assistance, a revenue reform initiative and/or technical assistance for National Government public sector enterprise transformations, and for other purposes.

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

1 Section 1. Authorization. The President of the FSM is
2 hereby authorized to utilize the proceeds of the first tranche of
3 the FSM National Government's portion of the Private Sector
4 Development (PSD) Program Loan from the Asian Development Bank, in
5 an
6
7 amount not to exceed \$500,000, for any or all of the following
8 purposes:

9 (1) to support the effective transition of the FSM to
10 renewed Compact economic assistance provisions through means such
11 as the preparation of strategic planning materials for the private
12 sector and priority sectors of agriculture, fisheries and tourism
13 as inputs into an Economic Summit and Strategic Development Plan;

14 (2) to support further development of the FSM-wide revenue
15 reform initiative such as improvements in tax administration,
16 preparation of required legislation, technical assistance and

1 public education for design and implementation of tax reform, and
2 a study tour by relevant legislators and executive officials to
3 observe modern tax reforms implemented by Pacific nations such as
4 the Cook Islands, Samoa, and New Zealand; and

5 (3) to obtain technical assistance required to implement
6 one or more National Government public sector enterprise
7 transformations called for in the program loan policy matrix.

8 Section 2. Suballotment. The President shall be permitted
9 to sub-allot funds appropriated hereunder to the Department of
10 Economic Affairs as the implementing agency for the PSD project
11 and program loans.

12 Section 3. Reporting requirement. Following the exhaustion
13 of funds appropriated by this act, the President shall submit a
14 report to Congress detailing how the funds appropriated hereunder
15 were expended.

16 Section 4. Lapse. The funds appropriated by this act shall
17 lapse as of September 30, 2007.

18 Section 5. This act shall become law upon approval by the
19 President of the Federated States of Micronesia or upon its
20 becoming law without such approval.

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22 Date: 10/21/03

Introduced by: /s/ Henry C. Asugar

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Henry C. Asugar
(by request)

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