

**CHAPTER 7****Development Matching Grant****SECTIONS**

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**§ 701. Definitions.**

Unless the context requires otherwise, the following definitions apply in this chapter:

- (1) “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 the State by section 601 of title 24 of this code.
- (3) “1 to 1 ratio” means that for every dollar a State appropriates pursuant to this chapter, the National Government shall appropriate one dollar as matching funds therefor.

**Source:** PL 3-88 § 1.

**Cross-reference:** Title 24 of this code is on Marine Resources.

**§ 702. Establishment.**

There is established a natural resources development matching grant, which may be cited as the “development matching grant.”

**Source:** PL 3-88 § 2.

**§ 703. Purpose—Administration.**

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 F.S.M.C. 1001, such development matching grant shall be administered by those entities, but for those State 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.

(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.

**Source:** PL 3-88 § 3.

**Editor's note:** PL 12-34 § 104 renumbered former chapter 6 as chapter 10 of title 24. Therefore, the reference to 24 F.S.M.C. 601 is revised to 24 F.S.M.C. 1001.

**Cross-reference:** 24 F.S.M.C. 1001 is on State Entities Authorized.

**§ 704. Powers of designated entity or 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 chapter, 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 the State;

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

(e) 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 chapter 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 nonliving 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.

**Source:** PL 3-88 § 4.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

### **§ 705. Eligibility.**

In order to be eligible for the development matching grant, a State shall meet the following criteria:

- (1) A State shall submit to the Congress of the Federated States of Micronesia an annual comprehensive development project plan which shall set forth in detail the projects for which the funds shall be used and the amount of funds needed for the project or projects.
- (2) A State shall submit the report of its activities in the previous year, where applicable, setting forth in detail the projects funded by the development matching grant, the amount of funds used on each project or projects, the amount of funds remaining unexpended, plus a narrative report of the activities during the previous fiscal year.
- (3) A State shall first appropriate the required State funds to match the congressional appropriation. Such State may appropriate funds for either agricultural resources development projects or for marine resources development projects, or for both.
- (4) No State may receive any funds from the development matching grant in excess of \$250,000 during one fiscal year. For the purpose of computing the \$250,000 to be appropriated to each State pursuant to this act for fiscal year 1985, any appropriation to any State of the Federated States of Micronesia made pursuant to title 24 of this code for fiscal year 1985 shall be included.
- (5) The funds appropriated pursuant to this chapter shall not be used to defray the administrative expenses of any of the projects funded by this chapter.

**Source:** PL 3-88 § 5.

**Cross-reference:** The statutory provisions on the FSM Congress are found in title 3 of this code.

**§ 706. Authorization.**

There is authorized to be appropriated from the General Fund of the Federated States of Micronesia the sum of \$1,000,000 for each of the fiscal years 1985 through 1989 for the purpose of funding the development matching grant.

**Source:** PL 3-88 § 6.

**§ 707. 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 disqualify 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.

**Source:** PL 3-88 § 7.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.