

## CHAPTER 6

### **BUSINESS DEVELOPMENT**

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36 PC 6-101. Short title. This chapter is known and may be cited as the “Business Development Act of 1994.”

Source: S.L. No. 3L-86-95 §1, 1/18/95

36 PC 6-102. Declaration of policy. Recognizing that cottage, small-, and medium-scale enterprises have the potential for more employment generation and economic growth and, therefore, can help provide a self-sustaining economic foundation for the state, it is hereby declared the policy of the state of Pohnpei to promote, support, strengthen, and encourage the growth and development of small- and medium-scale enterprises in all productive sectors of the economy. To this end, the state shall undertake to spur the growth and development of small and medium enterprises throughout the state and thereby attain statewide socio-economic development by:

- (1) Assuring, through the establishment of adequate support structure, the creation and promotion of an environment conducive to the viability and growth of small and medium enterprises;
- (2) Intensifying and expanding programs for training in entrepreneurship and in labor skills development;
- (3) Establishing mechanisms for the access and transfer of appropriate technology needed by these enterprises;
- (4) Facilitating their access to sources of funds;
- (5) Assuring to them access to a fair share of government contracts and related incentives and preferences;
- (6) Complementing and supplementing financing programs for small and medium enterprises and doing away with stringent and burdensome collateral requirements with which small entrepreneurs invariably find extreme difficulty complying;
- (7) Instituting safeguards for the protection and stability of the credit delivery system;
- (8) Raising government efficiency and effectiveness in providing assistance to small and medium enterprises throughout the state, at the least cost;
- (9) Promoting linkages between large and small enterprises and between foreign and local enterprises by encouraging subcontracting arrangements;
- (10) Encouraging the formation of cooperatives for purchasing of materials and marketing of products, for the establishment of common service facilities, and for other productive and beneficial purposes;
- (11) Making the private sector a partner in the task of developing small and medium enterprises through the promotion and participation of private voluntary organizations, viable industry associations, and cooperatives; and
- (12) Assuring a balanced and sustainable development through the establishment of a feedback and evaluation mechanism that will monitor the economic contributions as well as bottlenecks and environmental effects of the development of small- and medium-scale enterprises.

Source: S.L. No. 3L-86-95 §2, 1/18/95

36 PC 6-103. Small and medium enterprises as beneficiaries. “Small and medium enterprise” shall be defined as any business activity or enterprise engaged in industry, agribusiness, tourism, trade, and/or industrial and business services, whether single proprietorship, cooperative, partnership or corporation, whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity’s office, plant, and equipment are situated, must have value falling under the following categories:

Cottage – Less than \$5,000;

Small – \$5,001 to \$25,000; or

Medium – \$25,001 to \$250,000.

In a generic sense, all enterprises with total assets of \$250,000 and less, exclusive of land, shall be called small enterprises for the purposes of this chapter. The above definitions shall be subject to review and adjustment by the Small Enterprise Development Council created by this chapter, as the said Council deems necessary, taking into account inflation and other economic factors.

Source: S.L. No. 3L-86-95 §3, 1/18/95

36 PC 6-104. Eligibility for government assistance. To qualify for assistance, counseling, incentives, promotion or loan or lease guarantees under this chapter, a business falling under the definition in 36 PC 6-103 must meet the following criteria:

- (1) It must be duly registered with the appropriate agencies as presently provided by law or as provided by rules and regulations established pursuant to this chapter;
- (2) The business must be owned and capitalized, in part, by Pohnpei citizens;
- (3) It must not be a branch, subsidiary or division of a large-scale enterprise nor may its policies be determined by a large-scale enterprise or by persons who are not owners or employees of the enterprise. However, this requirement shall not preclude a cottage, small or medium enterprise from accepting subcontracts from large enterprises or firms joining in cooperative activities with other cottage, small, and medium enterprises.
- (4) Programs of the guarantee and finance corporation as provided in subsequent sections of this chapter shall be exclusively targeted to small enterprises.

Source: S.L. No. 3L-86-95 §4, 1/18/95; S.L. No. 4L-91-99 §1, 12/30/98

36 PC 6-105. Guiding principles. To set the pace for small enterprise development, the state shall be guided by the following principles:

(1) Minimal set of rules and simplification of procedures and requirements. All government agencies having to do with small enterprises shall pursue the principles of minimum regulation to ensure stability of rules and to encourage entrepreneurial spirit among the citizenry. The agencies shall see to it that procedural rules and requirements, within their respective offices and in coordination with other agencies, are minimized in the act of registration, availment of financing, and accessing other government services and assistance.

(2) Enhanced role of the private sector. In order to hasten the growth and expansion of small enterprises, the private sector throughout the state shall be encouraged to assist in the effective implementation of this chapter by constantly policing their ranks, and by participating in government programs for small enterprises strictly in accordance with law, and consistent with the attainment of the purposes hereof. The government shall encourage the organization and establishment of small enterprise industry associations at the state and local levels.

(3) Coordination of government efforts. Government efforts shall be coordinated to achieve coherence in objectives, particularly those under the Office of Economic Affairs, the Department of Land and Natural Resources, the Department of Treasury and Administration, the Division of Personnel, Labor and Manpower Development, and the Economic Development Authority.

Source: S.L. No. 3L-86-95 §5, 1/18/95; S.L. No. 5L-14-00 §3-37, 10/1/00

36 PC 6-106. Creation of a Small Enterprise Development Council. To effectively spur the growth and development of small enterprises throughout Pohnpei, and to carry out the policy declared in this chapter, a Small Enterprise Development Council (SEDC) is hereby created. The Council shall be attached to the Office of Economic Affairs and shall be duly constituted within 60 days after the approval of this chapter. The Council shall be the primary agency responsible for the promotion, growth, and development of small enterprises in Pohnpei by way of facilitating and closely coordinating state efforts to promote the viability and growth of small enterprises, including assisting relevant agencies in the tapping of state, national, and foreign funding for small enterprise development.

Source: S.L. No. 3L-86-95 §6, 1/18/95; S.L. No. 5L-14-00 §3-37, 10/1/00

36 PC 6-107. Composition of Council. The Council shall consist of seven (7) members appointed by the Governor with the advice and consent of the Legislature.

Source: S.L. No. 3L-86-95 §7, 1/18/95; S.L. No. 5L-14-00 §3-37, 10/1/00; S.L. No. 6L- -06 §2-116,

36 PC 6-108. Meetings of Council. Within 15 days after the SEDC is duly constituted as provided for in 36 PC 6-106, the Council shall hold a meeting for the purpose of electing its other officers for the ensuing year. The Council shall meet at least once a month.

Source: S.L. No. 3L-86-95 §8, 1/18/95

36 PC 6-109. Organization of Council; quorum; compensation and expenses. The Council shall organize by electing one of its members as Chairman, one as Vice-Chairman and one as Secretary to keep the minutes and records of the Council. Any four (4) members of the Council shall constitute a quorum, and a concurrence of four members shall be necessary for any official action taken by the Council. No vacancy in membership of the Council shall impair the right of a quorum to exercise all the rights and perform all the duties of the Council. Members of the Council shall be compensated at the rates established by the Government Officers' Salary Act, Title 9 Chapter 4, as amended or superseded by Pohnpei law, (9 PC 4-\*), for members of Pohnpei Government policy boards and commissions when actually attending meetings of the Council, except that those members who are employees of the Pohnpei Government and other cooperative entities shall instead receive their regular salaries while performing functions of the Council. All members shall also receive travel expenses and per diem at Pohnpei Government rates when those amounts would be payable to Pohnpei Government employees in the same circumstances.

Source: S.L. No. 3L-86-95 §9, 1/18/95; S.L. No. 6L- -06 §2-117,

36 PC 6-110. Assistance of government agencies. The Council may, from time to time, call upon the participation of any government agency or association of local government officials in its deliberations, especially when such agency is directly or indirectly concerned with and/or affecting the growth and development of small enterprises in any particular area or manner.

Source: S.L. No. 3L-86-95 §10, 1/18/95

36 PC 6-111. Powers and functions of Council. The Small Enterprise Development Council (SEDC) shall have the following powers, duties, and functions:

- (1) To help establish the needed environment and opportunities conducive to the growth and development of the small enterprise sector:
- (2) To make recommendations to the Governor and the Legislature on all policy matters affecting small enterprises;
- (3) To formulate a comprehensive small enterprise development plan to be integrated into the state's five-year development plans;
- (4) To coordinate and integrate various government and private sector activities relating to small enterprise development;
- (5) To review existing policies of government agencies that would affect the growth and development of small enterprises and recommend changes to the Governor and/or to the Legislature whenever deemed necessary. This shall include efforts to simplify rules and regulations, as well as procedural and documentary requirements in the registration, financing, and other activities relevant to small enterprises;
- (6) To monitor and determine the progress of various agencies geared towards the development of the private sector. This shall include overseeing, in coordination with local

government units and private sector groups/associations, the developments among small enterprises;

(7) To promulgate implementing rules and regulations, guidelines, programs, and operating principles as may be deemed proper and necessary in the light of government policies and objectives of this chapter;

(8) To provide the appropriate policy and coordinated framework in assisting relevant government agencies in tapping of national and foreign funding for small enterprise development;

(9) To promote the productivity and viability of small enterprises by way of directing and/or assisting relevant government agencies and institutions at the state and local levels toward the:

(a) Provision of business training courses, technical training for technicians and skilled laborers, and continuing skills upgrading programs;

(b) Provision of labor-management guidance, assistance, and improvement of the working conditions of employees in small-sized firms;

(c) Provision of guidance and assistance regarding product quality, product development, and product diversification;

(d) Provision of guidance and assistance for the adoption of improved production techniques and commercialization of appropriate technologies for product development and for increased utilization of indigenous raw materials;

(e) Provision of assistance in the marketing and distribution of products of small enterprise, through local supply and demand information, industry profiles, overseas marketing promotion, domestic marketing linkaging, and the establishment of common service facilities such as common and/or cooperative bonded warehouse, food storage, agro-processing, and drying facilities, ice plants, refrigerated storage, cooperative trucking facilities, etc.;

(f) Intensification of assistance and guidance to enable greater access to credit through a simplified multi-agency financing program; to encourage development of other modes of financing such as leasing and venture capital activities; to provide credit guarantee systems, and to encourage the formation of credit guarantee associations, including setting up of credit records and information systems and to decentralize loan approval mechanisms;

(g) Provision of concessional interest rates, lower financing fees, which may include incentives for prompt credit payments, arrangements tying amortizations to business cash flows, and effective substitution of government guarantee cover on loans for the borrower's lack of collateral;

(h) Provision of bankruptcy preventive measures through the setting up of a mutual relief system for distressed enterprises, and the establishment of measures such as insurance against extraordinary disasters;

- (i) Intensification of information dissemination campaigns and entrepreneurship education activities;
- (j) Development of tax credits and other tax and duty incentives;
- (k) Provision of support for product experimentation and research and development activities as well as access to information on commercialized technologies; and
- (l) Provision of more infrastructure facilities and public utilities to support operations of small enterprises;
- (10) To submit to the Governor and the Legislature a yearly report on the status of small enterprises in the state, including the progress and the impact of all relevant government policies, programs, and legislation as well as private sector activities; and
- (11) Generally, to exercise all powers and functions necessary for the attainment of the objectives and purposes of this chapter.

Source: S.L. No. 3L-86-95 §11, 1/18/95

36 PC 6-112. Reorganization of the Division of Business Development of the former Department of Commerce and Industry and its designation as Council Secretariat. The existing Division of Business Development of the former Department of Commerce and Industry will be reorganized as the Pohnpei Entrepreneur Development Center (PEDC). The PEDC shall have the following duties and functions:

- (1) To prepare, in coordination with local governments and/or associations of local government officials, and recommend annual as well as medium-term small enterprise development plans for approval of the Council;
- (2) To coordinate the preparation of position papers and background materials for discussion or approval during Council meetings;
- (3) To assist the Council in coordinating and monitoring small enterprise policies, programs, and activities of all government agencies with respect to small enterprises;
- (4) To prepare, collate, and integrate all input to the Council's yearly report on the status of small enterprises in Pohnpei;
- (5) To submit periodic reports to the Council on the progress and accomplishment of its work programs; and
- (6) To perform all such duties as prescribed by the SEDC as permitted under 36 PC 6-111 and such other ad hoc functions as authorized by the Council.

Source: S.L. No. 3L-86-95 §12, 1/18/95

Note: See extended legislative history for the general organization of the Executive Branch, 3 PC 1-\*

36 PC 6-113. The Pohnpei Entrepreneur Development Center. The Pohnpei Entrepreneur Development Center (PEDC), hereinafter referred to as the “Center,” shall provide, promote, develop, and widen in both scope and service-reach, various modes of assisting small enterprises, including, but not limited to, entrepreneurship training and development, business training and counseling, access to financing, and information dissemination. The Center shall:

- (1) Be attached to the Office of Economic Affairs;
- (2) Be under the policy, program, and administrative supervision of the Council;
- (3) Be the principal government agency that will formulate, implement, coordinate, and monitor all non-financing, government assistance programs for small enterprises, including fee-based services which it shall retain in its own account to support and promote small enterprises; and
- (4) Have its principal place of business in Kolonia, Pohnpei, and may have extension offices in other local jurisdictions.

Source: S.L. No. 3L-86-95 §13, 1/18/95; S.L. No. 5L-14-00 §3-37, 10/1/00

36 PC 6-114. Creation of entrepreneur development fund. There is hereby created an entrepreneur development fund, separate from the general fund of Pohnpei, into which fees charged by the PEDC shall be deposited.

Source: S.L. No. 3L-86-95 §14, 1/18/95

36 PC 6-115. Creation of Small Business Guarantee and Finance Corporation.

(1) There is hereby created a body corporate to be known as the Small Business Guarantee and Finance Corporation, hereinafter referred to as “SBGFC,” which shall provide, promote, develop, and widen in both scope and service-reach, various alternative modes of financing for small enterprises, including, but not limited to, direct and indirect project lending, venture capital, financial leasing, secondary mortgage, and/or rediscounting of loan papers to small businesses.

(2) The Corporation shall guarantee loans obtained by qualified small enterprises, local, and/or regional associations’ small enterprises and industries, private voluntary organizations and/or cooperatives, under such terms and conditions adopted by its Board. It may guarantee loans up to 100 percent (100%). It may also provide second guarantees (i.e. re-insurance) on the credit and/or investment guarantees made by credit guarantee associations and other institutions in support of small entrepreneurs.

(3) The Corporation shall become liable under its guarantees upon proof that the loan has become past due under such terms and guidelines adopted by its Board and printed on the contract of guarantee.

(4) The Small Business Guarantee and Finance Corporation shall:

- (a) Be attached to the Office of Economic Affairs and shall be under the policy, program, and administrative supervision of the SEDC;
- (b) Have its principal place of business in Pohnpei, and may have branch offices as needed;
- (c) Exercise all the general powers conferred by law upon corporations as are incidental or conducive to the attainment of this chapter, including the power to promulgate articles of incorporation, bylaws, rules, and regulations, guiding programs and policies in order to meet the policies and objectives of this chapter; and
- (d) Have a Board of Directors upon which the powers of the Corporation shall be vested, to be composed of seven members including:
  - (i) The Administrator of the Office of Economic Affairs, who shall serve as Chairman;
  - (ii) Three members from the private sector and three members from the public sector appointed by the Governor upon recommendation of the SEDC with the advice and consent of the Legislature; and
  - (iii) The Chief Executive of the Corporation will act as the Secretary of the Board.

Source: S.L. No. 3L-86-95 §15, 1/18/95; S.L. No. 5L-14-00 §3-37, 10/1/00

36 PC 6-116. Capitalization and funding. The SBGFC shall have an initial authorized capital stock of \$1,000,000. Additional funding shall come from other sources as appropriated by the Legislature or as identified by the SEDC.

Source: S.L. No. 3L-86-95 §16, 1/18/95

Note: S.L. No. 3L-86-95 §17 repealing provision has been omitted.

36 PC 6-117. Loan purpose. The loans guaranteed under this chapter shall be approved for use only for the following purposes:

- (1) Acquisition of fixed assets;
- (2) Building improvement/expansion or construction of plant facilities;
- (3) Permanent working capital; and
- (4) Credit line accommodations for temporary working capital.

Source: S.L. No. 3L-86-95 §18, 1/18/95; S.L. No. 4L-91-99 §2, 12/30/98

36 PC 6-118. Borrower eligibility criteria. In addition to the requirements set forth in 36 PC 6-104, any additional eligibility criteria established by the participating financial institution

for the issuance of the loan must be met by the borrower before participation in the loan guarantee program will be approved.

Source: S.L. No. 3L-86-95 §19, 1/18/95; S.L. No. 4L-91-99 §3, 12/30/98

36 PC 6-119. Guarantee coverage/guarantee ceiling. For all loans, whether or not covered or secured by any hard collaterals (chattels), a maximum of eighty-five percent (85%) guarantee on the principal loan balance outstanding plus interest will be available.

Source: S.L. No. 3L-86-95 §20, 1/18/95; S.L. No. 4L-91-99 §4, 12/30/98

36 PC 6-120. Amount of loan. The amount of loan eligible for guarantee cover shall be from \$2,000 to \$250,000.

Source: S.L. No. 3L-86-95 §21, 1/18/95

36 PC 6-121. Maturity of loans. Loan maturity for all loans guaranteed under this chapter shall be for a maximum of 15 years; PROVIDED that the participating financial institution shall have the authority to set a maturity period of less than the 15 year maximum for any borrower or loan.

Source: S.L. No. 3L-86-95 §22, 1/18/95; S.L. No. 4L-91-99 §5, 12/30/98

36 PC 6-122. Rate of interest. The lending institution shall set the interest rate.

Source: S.L. No. 3L-86-95 §23, 1/18/95

36 PC 6-123. Guarantee fee. The SBGFC Board shall establish a yearly guarantee fee not to exceed two percent (2%) per annum on the guaranteed loan outstanding based on the diminishing balance thereof and payable one prepayment period in advance.

Source: S.L. No. 3L-86-95 §24, 1/18/95

36 PC 6-124. Loan to equity rate. The borrower's equity participation in the project shall be determined by the participating financial institution according to criteria and standards established in the normal course of business for such purposes.

Source: S.L. No. 3L-86-95 §25, 1/18/95; S.L. No. 4L-91-99 §6, 12/30/98

36 PC 6-125. Payment of loan. The loan shall be paid in monthly, quarterly or semi-annual amortizations which include payment of interest and other fees during grace periods, where applicable, and principal, interest, and other fees after the grace period.

Source: S.L. No. 3L-86-95 §26, 1/18/95

36 PC 6-126. Event of default. There is default in case the borrower fails to pay three consecutive monthly, or one quarterly, or one semi-annual amortization, as the case may be, for term loans or upon maturity of credit line availments. In the event of default, the loan and all the availments on the line shall automatically become due and demandable.

Source: S.L. No. 3L-86-95 §27, 1/18/95

36 PC 6-127. Penalty fees.

(1) In case of failure to pay monthly, quarterly or semi-annual amortizations when due, the borrower shall pay the penalty of two percent (2%) per month or a fraction thereof, based on unpaid amortizations and computed up to the date of actual payment.

(2) Upon default, as defined in 36 PC 6-126, the borrower shall pay the penalty of two percent (2%) per month or fraction thereof based on the entire amount due and demandable and computed up to the date of actual payment.

Source: S.L. No. 3L-86-95 §28, 1/18/95

36 PC 6-128. Documentary requirements: loan. The lending financial institution shall submit the following requirements in support of its application for guarantee cover:

- (1) Bank approval of the loan;
- (2) Bank evaluation report on the project/feasibility study;
- (3) Background investigation report on the borrower;
- (4) Appraisal report on loan collaterals;
- (5) Latest audited/unaudited financial statements of the borrower;
- (6) For corporate borrowers the following additional documents are required:
  - (a) Certificate of Registration;
  - (b) Articles of Incorporation; and
  - (c) Bylaws.

Source: S.L. No 3L-86-95 §29, 1/18/95

36 PC 6-129. Lease guarantees. As set forth in 36 PC 6-115, the Corporation may guarantee leases obtained by qualified small enterprises, local, and/or regional associations' small enterprises and industries, private voluntary organizations, and/or cooperatives, under such

terms and conditions as are set forth by its Board. Under this guarantee program, a small enterprise may lease single or varieties of machinery, equipment, and facilities from any of the SBGFC accredited leasing/financing institutions, either under a financial or lease purchase arrangement.

Source: S.L. No. 3L-86-95 §30, 1/18/95

36 PC 6-130. Lease term. The lease term shall be at a maximum of seventy percent (70%) of the estimated economic life of the asset but not to exceed ten years.

Source: S.L. No. 3L-86-95 §31, 1/18/95

36 PC 6-131. Lease payments. The lease payments shall be monthly, quarterly, semi-annually or annually, which payments shall include the principal and interest payments.

Source: S.L. No. 3L-86-95 §32, 1/18/95

36 PC 6-132. Lease guarantee deposit. A minimum guarantee deposit of twenty percent (20%) of the asset cost is required from the lessee as security of the faithful performance of his obligations, under the lease purchase/financial lease scheme.

Source: S.L. No. 3L-86-95 §33, 1/18/95

36 PC 6-133. Lease guarantee ceiling. The guarantee ceiling on transactions shall be ninety percent (90%) of the outstanding financial lease/lease purchase principal obligation plus unpaid lease interest payments for one lease repayment period.

Source: S.L. No. 3L-86-95 §34, 1/18/95

36 PC 6-134. Guarantee fee. The SBGFC Board shall establish a yearly guarantee fee not to exceed two percent (2%) per annum on the guaranteed portion of the outstanding lease on the principal amount.

Source: S.L. No. 3L-86-95 §35, 1/18/95

36 PC 6-135. Lease rate. The finance/leasing company shall set the lease rate to be charged the lessee.

Source: S.L. No. 3L-86-95 §36, 1/18/95

36 PC 6-136. Insurance. The lessee shall insure the leased asset at his own expense for the duration of the lease period, designating the leasing company as the beneficiary.

Source: S.L. No. 3L-86-95 §37, 1/18/95

Note: Phrase "or her" has been omitted consistent with 1 PC 1-112(3).

36 PC 6-137. Event of lease default. Default occurs when the lessee fails to pay three consecutive monthly lease rental payments, or one quarterly/semi-annual/annual rental payment, as the case may be, including all applicable fees. In the event of default, the lease amount shall immediately become due and demandable.

Source: S.L. No. 3L-86-95 §38, 1/18/95

36 PC 6-138. Penalty fees. In case of failure to pay one lease rental, the lessor may impose a penalty fee of no more than two percent (2%) of the unpaid rental or any other amount per month of delay or fraction thereof, computed from the day payment became due.

Source: S.L. No. 3L-86-95 §39, 1/18/95

36 PC 6-139. Documentary requirements: lease. The leasing/financing company shall submit the following requirements in support of its application for guarantee cover:

- (1) Leasing/financing company's approval of the lease application;
- (2) Leasing/financing company's evaluation of the project;
- (3) Background investigation report on the borrowing;
- (4) The latest audited/unaudited financial statement of the lessee;
- (5) The latest income tax return of the lessee, in the absence of Subsection (4) of this section; and
- (6) Any further documentation required by the SBGFC Board.

Source: S.L. No. 3L-86-95 §40, 1/18/95

36 PC 6-140. Monitoring of loan applications. The SEDC, in coordination with the SBGFC, shall set up the appropriate systems to monitor all loan applications of small enterprises in order to account for the absorptive capacity of the small enterprise sector.

Source: S.L. No. 3L-86-95 §41, 1/18/95

36 PC 6-141. Technical assistance. The Governor shall provide the SEDC and the SBGFC with necessary technical and legal assistance through the departments, offices, and agencies of the Pohnpei Government. If the Attorney General is unable to provide sufficient legal counsel, the Council may seek independent counsel.

Source: S.L. No. 3L-86-95 §42, 1/18/95

36 PC 6-142. Authorization for appropriation; administration. There is hereby authorized for appropriation from the general fund of Pohnpei such sums as are determined annually in the Comprehensive Budget Act for the administration of this chapter as follows:

(1) The SEDC. All such sums so appropriated shall be deposited into the entrepreneur development fund and administered and expended by the Chairman of the SEDC solely for the purposes specified in this chapter. The Chairman shall submit an annual report on or before October 15 each year on the administration and expenditure of appropriated funds for the previous fiscal year. All sums appropriated from the general fund for any fiscal year remaining unexpended or unobligated on September 30 thereof shall revert to the general fund of Pohnpei;

(2) The PEDC. All such sums so appropriated from the general fund shall be administered and expended by the Administrator of the Office of Economic Affairs solely for the purposes specified in this chapter. The Administrator shall submit an annual report on or before October 15 each year on the administration and expenditure of appropriated funds and fees charged to beneficiaries if any. All sums appropriated for any fiscal year remaining unexpended or unobligated on September 30 thereof shall revert to the general fund, except fees charged to beneficiaries and placed into the entrepreneur development fund, as provided for in 36 PC 6-114, which shall be carried over into subsequent fiscal years; and

(3) The SBGFC. All such sums so appropriated from the general fund shall be administered and expended by the Chairman of SBGFC solely for the purposes specified in this chapter. The Chairman shall submit an annual report on or before October 15 each year on the administration and expenditure of appropriated funds for the previous fiscal year. Funds not expended in any given fiscal year shall be carried over in subsequent fiscal years.

Source: S.L. No. 3L-86-95 §43, 1/18/95; S.L. No. 5L-14-00 §3-37, 10/1/00

Note: S.L. No. 3L-86-95 §44 severability and §45 repealing provisions have been omitted.