

## FSM Information Services

### Press Release

#### **Through the FSM-PRC Great Friendship, China Donates \$16,000,000 for Economic & Technical Cooperation Assistance**

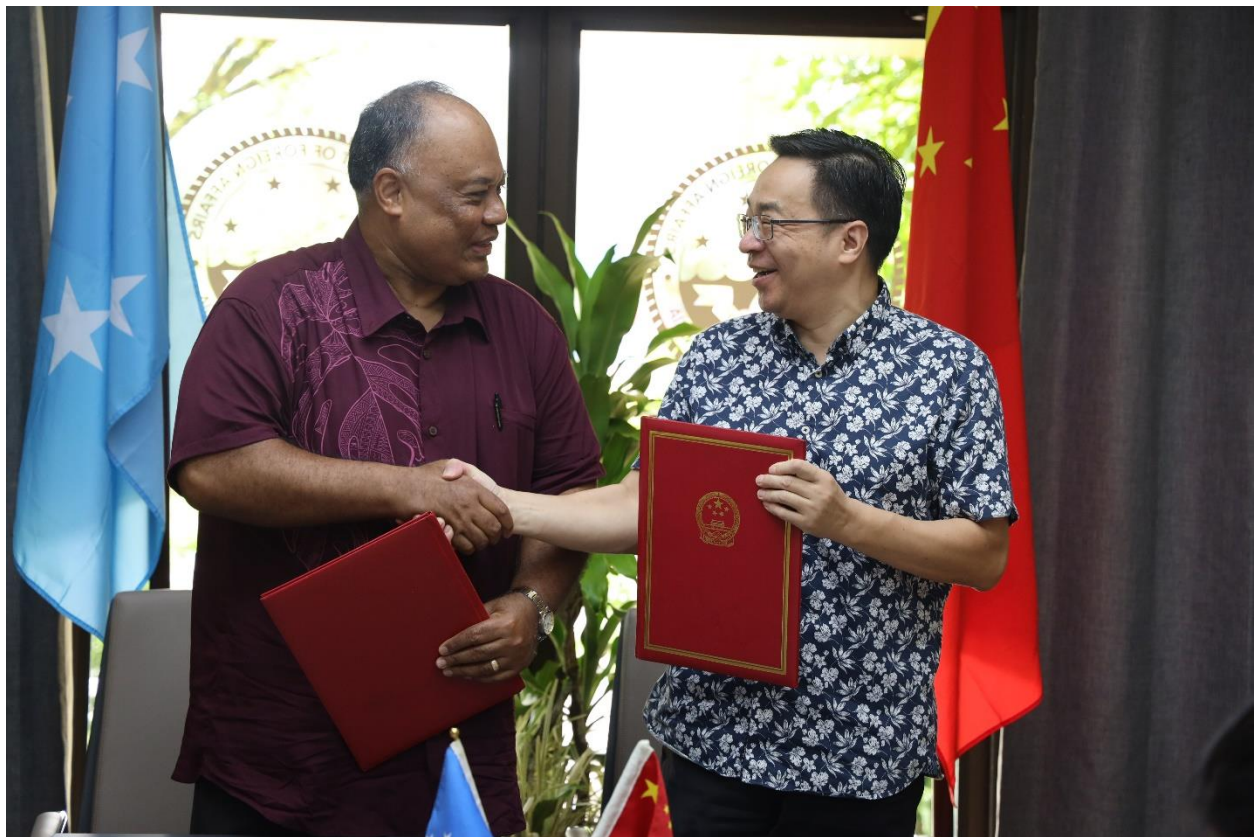
PALIKIR, Pohnpei—On May 26<sup>th</sup>, 2021, the Honorable Kandhi A. Elieisar—Secretary of the Department of Foreign Affairs—received His Excellency Huang Zheng, Ambassador of the People’s Republic of China (China) to the Federated States of Micronesia (FSM) for a signing ceremony. The purpose of the ceremony was to formalize economic and technical cooperation agreements first proposed by His Excellency David W. Panuelo, President of the FSM, and His Excellency Xi Jinping, President of China, during their historic bilateral engagement in Beijing in December, 2019. The tangible result for the FSM during the May 26<sup>th</sup> signing ceremony is that China has granted one-hundred million renminbi—which translates to approximately sixteen million U.S. dollars (\$16,000,000)—for the purpose of development projects.

“I am delighted to sign this economic and technical cooperation agreement between our two countries,” Secretary Elieisar said in a statement. “This signing ceremony is the result of the consensus between H.E. David W. Panuelo and H.E. Xi Jinping...we will use this money for the economic and social development of our country. ...We appreciate your hard work, Ambassador [Huang], and we...look forward to push our relationship to new heights based on the bedrock of the One-China Policy that characterizes our strong and Great Friendship.”

“Each time when I come to this room to reach agreements on cooperation, I am so glad,” Ambassador Huang said in a statement. “Despite the difficulty of the COVID-19 Pandemic, our hearts are coming closer and closer...what we are witnessing today is a vivid reflection of the important consensus reached between H.E. Xi Jinping and H.E. David W. Panuelo during the successful and historic visit to China in December 2019. ...Today’s grant of around sixteen million US dollars...will surely make important contributions in the sustainable development of the FSM and the wellbeing of the FSM’s People.”

Contrary to pernicious rumors across the FSM, the economic and technical assistance from China comes with no political conditions or strings attached. This recent assistance, like historical assistance to the FSM through the FSM-China Great Friendship, is through the form of a grant—not a loan—and is based on China’s aid principles of equality, mutual benefits, openness, and sustainability.

“On behalf of the People and Government of the FSM,” President Panuelo said in a statement, “I would like to thank His Excellency Xi Jinping, my dear friend and President of China, and his Ambassador, my dear friend Huang Zheng, for continuing to strengthen and enhance our FSM-China Great Friendship. China was instrumental in recognizing our Nation’s inherent sovereignty, and for the more than thirty years of close diplomatic relations, we’ve built a Great Friendship and comprehensive partnership based on shared values of mutual respect and the bedrock of the One-China Policy. I extend again our sincere appreciation to China for this economic and technical cooperation assistance of approximately sixteen million dollars, and look forward to strengthening our FSM-China Great Friendship in the years, decades, and centuries to come.”



**Pictured Above:** Secretary Elieisar shakes hands with Ambassador Huang



**Pictured Above:** Secretary Elieisar gives his statement



**Pictured Above:** Ambassador Huang gives his statement



**Pictured Above (L→R):** Assistant Secretary Brendy Carl; Secretary Kandhi A. Elieisar; Ambassador Huang Zheng; Deputy Secretary Ricky Cantero



**Pictured Above:** Secretary Elieisar and Ambassador Huang greet each other immediately prior to the signing ceremony



**Pictured Above:** Secretary Elieisar and Ambassador Huang sign the economic and technical assistance agreement

AGREEMENT ON ECONOMIC AND TECHNICAL COOPERATION  
BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA  
AND THE GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA

The Government of the People's Republic of China and the Government of the Federated States of Micronesia, with a view to further developing the friendly relations and economic and technical cooperation between the two countries, have agreed as follows:

Article I

In accordance with the needs of the Government of the Federated States of Micronesia, the Government of the People's Republic of China shall provide the Government of the Federated States of Micronesia with a grant aid of 100 million RMB (say One Hundred Million RMB Yuan only) for projects agreed by the two governments. Specific matters in this regard shall be stipulated in the agreement(s) to be signed subsequently between the two sides.

Article II

China Development Bank and the Department of Finance and Administration of the Federated States of Micronesia shall open in each other's name in their respective books an interest-free and charge-free account in RMB to record payments under the gratuitous aid briefly referred as "Aid Account No. 2020/1". During the expense of the assistance fund, the bookkeeping formalities will be processed according to the operating instructions of China Development Bank. The amount that has been granted is regularly fed back to the two Governments.

Article III

This agreement shall come into force on and from the date of its signature and remain in force until the fulfillment of all their obligations stipulated hereinabove by both sides.

Done in duplicate in <sup>Palki</sup> on 1, 2021 in Chinese and English languages, each side keeping one original and both texts being equally authentic.

For and on behalf of the Government of

the People's Republic of China

For and on behalf of the Government of

the Federated States of Micronesia

**Pictured Above:** The entirety of the economic and technical cooperation agreement signed on May 26<sup>th</sup>; citizens will note that the assistance is exclusively and explicitly a grant—there are no political conditions or strings attached