

AN ACT

To create the Farm Loan Program, and for other related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIIL ERA KELULAU DO ENACT AS FOLLOWS:

Section 1. Legislative Findings.

The Olbiil Era Kelulau finds that much of the Republic's produce is imported, resulting in additional cost to consumers, less income to local farmers, and a threat to food security. The Olbiil Era Kelulau finds that the appropriate solution is for the government to proactively support the development of local farms. The Olbiil Era Kelulau also finds that the Republic has the resources to develop its agricultural and aquaculture industry. A program that integrates the assistance of business development, financial resources, and technical assistance is the key resource that the government should provide to local farmers. Therefore, the National Development Bank of Palau shall provide small-scale financing to farming start-ups, contingent upon the applicant working with the Bureau of Agriculture and the Bureau of Marine Resources to receive technical assistance to operate the farm and perform strategic planning. The Olbiil Era Kelulau finds that the Republic's current resources of the Palau Small Business Development Center, the National Development Bank of Palau, and the Ministry of Natural Resources, Environment, and Tourism are the appropriate entities to be charged to assist in filling this gap in the Republic's economy. The Olbiil Era Kelulau further finds that tourism is the main industry in the Republic. Promoting agriculture and aquaculture farming will increase local food production which tourists will purchase, thereby maximizing the profits to be realized from tourism and farming.

Section 2. Farm Loan Program established.

There is hereby established an agricultural and aquaculture development and technical assistance loan program to be called the "Farm Loan Program." This program shall be administered by the National Development Bank of Palau ("NDBP") with the assistance and cooperation of the Palau Small Business Development Center ("SBDC") and the relevant Bureau within the Ministry of Natural Resources,